FBIS DAILY REPORT

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INDRA ADDRESSES WARSAW PACT PARLIAMENTARIANS

LD022035 Prague CTK in English 1542 GMT 2 Jul 87

[Text] Warsaw July 2 (CTK correspondent) -- Chairman of the Czechoslovak Federal Assembly Alois Indra addressed today a three-day meeting of chairmen of parliaments of the Warsaw Treaty member states, in its second day today.

Alois Indra said that world socialism is now in a situation when it must set itself bolder and qualitatively higher goals. Just as in the past, the Communist Party of the Soviet Union plays a vanguard part by outlining and elaborating the strategy of restructuring of all spheres of life of socialist society. This line is fully supported also by Czechoslovak communists, the entire national front, and is being implemented in a creative manner on the basis of the conclusions of the 17th Congress of the Czechoslovak Communist Party.

"We can fulfill the demanding tasks facing us only in closest possible cooperation with the other fraternal countries, especially the Soviet Union", Alois Indra said.

He went on to point out that new thinking is only slowly and with difficulty gaining ground among representatives of bourgeois countries. Imperialist "hawks" do not want to give up old anti-communist sterotypes, especially on the "Soviet threat". Many of them cannot immagine a world free of nuclear and other weapons of mass destruction and think up absurd arguments to justify this regrettable and dangerous attitude. They even argue that maintaining these weapons is a guarantee of peace, Alois Indra said.

Included in this package are attempts by revenge-seeking and neo-fascist forces to question the borders of European countries. They are, unfortunately, backed also by West German officials who participate in their events and repeat allegations about the "German question being open". This poisons the atmosphere in Europe and runs counter to the interests of detente and security to the letter and spirit of the Helskinki Final Act. The concrete obstacles to the peace process include also the FRG Government's demand to keep 72 Pershing-1A missiles and exclude them from a further Soviet-American agreement on medium- and shorter-range missiles. This demand could completely block the Geneva talks. It is clear that if these missiles belong to the FRG, the treaty on non-proliferation of nuclear weapons was violated. If they belong to the USA they must be included in a Soviet-American treaty. This problem is very important for Czechoslovakia as the 72 Pershing-1A missiles endanger its security and their preservation in the FRG could prevent the removal of shorter-range missiles from Czechoslovakia.

Alois Indra stated that, fortunately, the number of those who see the problems and needs of the present more realistically is growing in the West as a result of the influence of the dynamic and coordinated foreign policy of the socialist countries.

Now all efforts must concentrate on not wasting the extremely important chance for concluding a Soviet-American agreement on the elimination of medium-range and shorter-range missiles in Europe, he said, voicing the conviction that the situation could be also improved by partial steps such as the establishment is a co-author of similar initiatives regarding Central Europe and supports similar proposals for other parts of Europe and elsewhere in the world.

Czechoslovakia supports everything that will contribute to the deepening of the Helskinki process, in all "baskets", while regarding political-military issues as a priority without in the least neglecting the other problems.

Czechoslovakia attaches great importance to economic cooperation and this is why it proposed to convene an economic forum in Prague. It supports also the Soviet proposal for holding a conference on humanitarian issues in Moscow, as well as the initiatives of the other fraternal countries.

There can be no doubt that the demand raised at the Berlin session of the Warsaw Treaty Political Consultative Committee for "raising the activity and initiative of each allied country in international affairs for the sake of pursuing a coordinated foreign policy line" applies also to parliaments. The Czechoslovak delegation believes that the present coordination of the foreign political activities of the parliaments require upgrading, Alois Indra said.

COMMUNIQUE ISSUED ON PACT MEETING IN WARSAW

LD032046 Warsaw PAP in English 1708 GMT 3 Jul 87

["Abridged" communique of 1-3 July meeting of Warsaw Pact parliamentary heads]

[Text] Warsaw, July 3 -- A meeting of chairmen of parliaments from Warsaw treaty states devoted to friendship, cooperation and mutual assistance was held here between July 1 and 3.

Discussed were issues related to the participation of parliaments in deepening cooperation of fraternal countries, giving it greater momentum and effectiveness while taking into regard the specific character of the current stage of development of socialist competition.

Chairmen of the parliaments exchanged information and experiences concerning activities taken up in their countries with a view to speeding up socio-economic development, broad implementation of scientific-and-technological progress, constant improvement of material and spiritual standard of living, in line with the aims of the socialist building. They stressed that the attainments of the socialist countries create new possibilities for the development of mutually beneficial cooperation, for the development of relations with all countries of the world, and are conducive to the growth of influence and international prestige of socialism.

Participants pointed to the significance of active support granted by parliaments to expanding economic cooperation of the CMEA states in the realization of all-around programme of scientific-and-technological progress of CMEA states by the year 2000, agreements of the working meeting of leaders of fraternal socialist countries held in Moscow last November.

The parties conducted a matter-of-fact exchange of experience and opinions concerning legal and systemic questions, development of legislature, control functions performed by parliaments, work of territorial administration bodies.

Participants in the meeting thoroughly analyzed issues concerning the development of international situation. They analysed ways of cooperation with parliaments of states signatories to CSCE, invigorating the all-European process of lowering the level of military confrontation and halting the arms race, realization of disarmament, chiefly the nuclear one, preserving peace on the earth, development of comprehensive cooperation in different fields.

While referring to these issues, chairmen of parliaments from Warsaw treaty states adopted an appeal addressed to parliaments and parliamentarians from the states-CSCE signatories which will be sent to them. During the meeting, participants pointed to the great significance of the Great October Socialist revolution which initiated a new epoch in the history of mankind. Stressed was the significance of participation of parliamentarians in celebrations marking the 70th anniversary of the event. An agreement was reached to the effect that the next meeting of chairmen of parliaments will be held in Berlin. The meeting was held in the atmosphere of friendship and full mutual understanding.

MALINOWSKI HOLDS NEWS CONFERENCE ON PACT MEETING

LD032048 Warsaw PAP in English 1711 GMT 3 Jul 87

[Text] Warsaw, July 3 -- The debates focused on three groups of topics. One of them concerned exchange of experiences in work of our parliaments, their role in processes of democratization and in economic reform, said Sejm speaker Roman Malinowski at a press conference for foreign and Polish journalists held here today after chairmen of parliaments from Warsaw treaty states ended their debates.

The point is to speed up these processes. Some countries are interested in transplanting onto their soil the experience of the Polish Sejm, such as e.g. the institution of the constitutional tribunal. We discussed new forms of cooperation between our parliaments to serve economic integration of the socialist countries and streamline the mechanisms of CMEA, to contribute to the development of cooperation in different domains of bilateral and multilateral relations.

Thirdly, we discussed the role of our parliaments in promoting this philosophy of thinking and acting which was demonstrated both at the meeting of the Warsaw treaty political consultative committee, in peace initiatives of Mikhail Gorbachev and Wojciech Jaruzelski, and also in other proposals aimed to create common security, the climate of confidence and detente.

Chairmen of the parliaments supported the Sejm proposal concerning the meeting of parliamentary leaders from states-CSCE signatories. The idea met with positive reactions on the part of the speaker of the House of Representatives of the U.S. Congress, U.N. General secretary and also the president of the FRG parliament who intends to present it, along with recommendation, at a meeting of parliamentary chairmen from EEC countries.

The proposed meeting could serve the strengthening of joint European heritage and, while respecting differences and individual characters, create conditions for a bold perception of the common future of Europe, also in respect to joint efforts for economic technological and ecological security.

We are striving to hold such a meeting as soon as possible. There are conditions to hold such a meeting next year. This Polish initiative will also be instrumental to contacts with the European parliament, Malinowski said. The matter was raised in several statements made during the Warsaw meeting. There are favourable prospects for such contacts. Taking into regard issues which lay at the foot of the initiative of convening the meeting of parliamentarians from CSCE countries, we may, in future, convene the all-European parliament. It is a kind of process, which, if it continues to develop, may bring solutions exceeding our present-day visions, Malinowski said.

CSSR'S KADNAR ADDRESSES CSCE FOLLOW-UP PLENUM

AU301212 Prague RUDE PRAVO in Czech 27 Jun 87 p 7

[CTK report: "Significance of the Economic Cooperation of European Countries; Statement by Head of the Czechoslovak Delegation at the Follow-Up Meeting in Vienna"]

[Text] Vienna (CTK correspondent) -- Ambassador Milan Kadnar, head of the CSSR delegation to the CSCE follow-up meeting, pointed out the extraordinary significance of economic cooperation between the European countries at the session of the CSCE follow-up meeting on Friday [26 June]. In his speech at the plenary session he also briefed the participants on the restructuring of the Czechoslovak economy.

To illustrate the advantages of cooperation among European countries Milan Kadnar cited the examples of collaboration between certain Czechoslovak enterprises and banks and their West European partners. In this context he welcomed the proposal submitted by nine neutral and nonaligned countries to set up joint enterprises and exchange information in this sphere.

M. Kadnar called on the participants in the Vienna follow-up meeting to start drafting the final document in the groups dealing with security, economic, and humanitarian issues. He recalled that Czechoslovakia is striving to achieve balanced and substantial results in all spheres of European security and cooperation, which also means in the humanitarian sphere. It would be appropriate to make at least the main principles of the final document available to the participants by the end of July, so the individual countries could then adopt a stand on them during the summer recess.

The head of the Czechoslovak delegation then noted with appreciation the statement made by the heads of FRG and Belgian delegations that their governments respect the principles of the CSCE Helsinki Final Act, which affirm the validity of postwar frontiers in Europe and noninterference in the internal affairs of other states. The delegations of these two countries had reacted in this manner to Milan Kadnar's earlier speech, in which he pointed out the dangers of a policy that seeks to sow doubts about the stability of European borders.

In connection with the World Women's Congress in Moscow, M. Kadnar recalled the proposal submitted by the CSSR, the People's Republic of Bulgaria, and the USSR on ensuring women's rights and requested support for this proposal.

'ANNOUNCEMENT' ON VISIT BY ROMANIA'S DASCALESCU

AU261958 Sofia RABOTNICHESKO DELO in Bulgarian 25 Jun 87 pp 1, 2

["Announcement on the official, friendly visit of Constantin Dascalescu, prime minister of the SR of Romania Government to the People's Republic of Bulgaria" issued on 24 June 1987 in Sofia]

[Text] At the invitation of Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, Constantin Dascalescu, prime minister of the Government of the SR of Romania, paid an official friendly visit to the People's Republic of Bulgaria from 22 to 24 June 1987.

The Prime Minister of the SR of Romania Government was received by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria. Comrade Constantin Dascalescu conveyed fraternal greetings from Nicolae Ceascescu, general secretary of the RCP and president of the SR of Romania, which Comrade Todor Zhivkov reciprocated in the same cordial spirit. During the meeting, which proceeded in a cordial, friendly atmosphere, opinions were exchanged on the further development and intensification of the relations based on traditional friendship and all-round cooperation between the BCP and the RCP, the SR of Romania and the People's Republic of Bulgaria, and the Bulgarian and Romanian peoples. Topical issues of the international situation were discussed during the meeting.

Constantin Dascalescu laid a wreath at the Georgi Dimitrov mausoleum.

He visited the city of Plovdiv where he inspected the Peripherel Equipment economic trust, the Organizational Equipment enterprise, and the scientific research institute on fruit growing, after which he visited several remarkable cultural monuments of the city.

During the talks the two government leaders briefed each other on topical issues of socialist construction in both countries in connection with implementing the decisions of the 13th BCP Congress and the 13th RCP Congress.

Comrades Georgi Atanasov and Constantin Dascalescu reviewed the state and future prospects of relations between the People's Republic of Bulgaria and the SR of Romania, as well as the implementation of the agreements signed at the highest level. They expressed their satisfaction at the results achieved.

It was ascertained that the traditional Bulgarian-Romanian relations are developing along ascending lines, based on the durable foundations of the principles and goals laid down by the 1970 Friendship and Cooperation Treaty signed between the two countries.

The two sides stressed the exceptionally great importance of the traditional meetings held between Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria, and Nicolae Ceascescu, RCP general secretary and president of the SR of Romania, for the dynamic development of cooperation between the BCP and the RCP, between the People's Republic of Bulgaria and the SR of Romania, in the political, economic, scientific-technical, cultural, and other sectors, for the further consolidation of friendship between the two countries and peoples.

The two government leaders stated that the decisions and agreements adopted on the highest level are being successfully implemented. Bulgarian-Romanian political relations are actively developing; the meetings, the exchange of opinions, and bilateral consultations between the representatives of party leaderships, parliaments, government and political institutions, as well as between social organizations from the two countries are expanding.

The two prime ministers thoroughly reviewed the state and opportunities of the further development of economic and scientific-technical cooperation, of exchange of goods, specialization, and production sharing.

It was stressed that these relations are developing and being consolidated, that numerous agreements on economic cooperation, specialization, and production sharing are in the process of being implemented. They pertain to the sectors of machine building industry, electrical engineering, and electronics, as well as metallurgical and chemical industries, transportation, agriculture, and other sectors.

The work of the Joint Intergovernmental Commission for Economic and Scientific-Technical Cooperation was positively evaluated, and this also applies to the work of the ministries and economic organizations of Bulgaria and Romania in implementing the instructions stemming from the meetings between Comrades Todor Zhivkov and Nicolae Ceausescu. At the same time, in considering the experience accumulated in bilateral cooperation, as well as the existing economic and scientific-technical potentials of the two countries, the necessity was stressed to intensify work pertaining to specialization and production sharing, as well as to the cooperation in the scientific and technological sectors, and to a wider application of more efficient new forms of cooperation with a view to ensuring a stable and long-term increase of the exchange of goods in the forthcoming years. In this connection the respective ministries and economic organizations were assigned the task of signing treaties, protocols, and agreements on production sharng and specialization in the production of electronic and computer equipment, electronic elements, and energy equipment, as well as in the production of high-voltage instruments and refrigeration equipment.

The work pertaining to the use of the Danube River's hydrotechnical potential was analyzed, and the same applies to the joint construction of projects, which are of great importance for the economic development of both countries. The state and economic organs and organizations of both the People's Republic of Bulgaria and of the SR of Romania were instructed to pursue their activities in connection with the planned building projects within the established schedules.

The respective organs were instructed to work to reveal opportunities and methods for the development of cooperation in new spheres of mutual interest. Instructions were also issued in connection with pursuing the efforts to develop cooperation in the joint prospecting of material resources situated in the border areas.

The necessity was stressed to intensify cooperation in the field of agriculture, to brief each other on experience in the application of progressive technologies in plant growing and animal husbandry, and as regards the exchange of modern agricultural equipment produced in both countries.

The two countries' government leaders confirmed their resolve to work more actively for the implementation of the Long-Term Economic and Scientific-Technical Cooperation Program signed between Bulgaria and Romania for the period up to 1990, and in certain sectors even for the period up to 2000.

The two countries' resolve to work to intensify the cooperation within the framework of CEMA was stressed, in the spirit of the decisions adopted at the 1984 economic summit conference, in the spirit of the Comprehensive Program for the Scientific and Technical Cooperation of CEMA Member Countries through the Year 2000, and in the spirit of the 42d CEMA session held in Bucharest.

The results achieved in the development of relations in the fields of culture, science, education, mass media, health protection, and sports were evaluated as positive. The two sides expressed their firm resolve to act in favor of further intensifying cooperation in the aforementioned areas.

During the visit, the two government leaders signed a protocol, including specific measures to develop the existing exchange of goods, as well as for the further promotion of economic and scientific-technical cooperation, of specialization, and production sharing in various sectors.

Opinions on certain topical problems of the international situation were also exchanged during the talks that focused mainly on bilateral relations, and on economic issues in particular.

Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, and Constantin Dascalescu, prime minister of the Government of the SR of Romania, expressed satisfaction at the fruitful talks held and at the results achieved, voicing the conviction that these results will contribute to further expanding friendship and cooperation between the People's Republic of Bulgaria and the SR of Romania, between the Bulgarian and Romanian peoples.

Constantin Dascalescu, prime minister of the Government of the SR of Romania, invited Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, to visit the SR of Romania. The invitation was accepted with pleasure.

Daily Comments on Visit

AU061430 Sofia RABOTNICHESKO DELO in Bulgarian 26 Jun 87 p 8

[Editorial Article: "Business Cooperation"]

[Text] The results of the just concluded visit paid to our country by Constantin Dascalescu, prime minister of the Government of the SR of Romania, became part of the overall complex of our traditional, fraternal mutual relations.

These fruitful relations developing with success are based on the principles of Marxism-Leninism and socialist internationalism.

The basic importance of the development of Bulgarian-Romanian relations is represented by the close cooperation between BCP and RCP. The regular meetings between Comrades Todor Zhivkov and Nicolae Ceauscescu are exerting an invaluable impact upon the ascending development of these relations.

During the talks held between Comrade Georgi Atanasov and his Romanian colleague, the review on the implementation of the agreements reached at summit meetings played the prevailing role. The two sides expressed satisfaction at the level of their agreements. [paragraph continues]

At the same time, in taking into consideration the experience accumulated in bilateral cooperation and the economic and scientific-technical potential of the two sides, the necessity of intensifying work in connection with the specialization of production and with production sharing was stressed.

The documents that were adopted and signed mapped out specific measures for the intensification of joint activities and for the establishment of direct production relations between Bulgarian and Romanian economic organizations and enterprises, as well as for production sharing in the production of electronic equipment, electronic elements, and power supply installations.

As active members of CEMA, Bulgaria and Romania, together with the other socialist community member-countries, are devoting their main attention to the implementation of the Comprehensive Program for Scientific and Technical Progress Progress Through the Year 2000.

The People's Republic of Bulgaria and the SR of Romania are also active participants of the Warsaw Pact. They are waging an active, joint struggle for peace and international security; they ardently support the Soviet peace program and the proposals of the other socialist countries. The two countries are initiators of the efforts to transform the Balkans into a zone free of chemical and nuclear weapons.

The Bulgarian public welcomed with satisfaction the results of the recent regular meeting between the government leaders of the People's Republic of Bulgaria and the SR of Romania, which updated the agreements reached by our two countries on comprehensive political, economic, and cultural cooperation.

ZHIVKOV CONGRATULATES NEW LCY PRESIDENT KUNIC

AU051711 Sofia RABOTNICHESKO DELO in Bulgarian 2 Jul 87 p 1

[Text] Todor Zhivkokv, general secretary of the BCP Central Committee and chairman of the State Council, sent a telegram to Bosko Kunic, president of the LCY Central Committee Presidium. The telegram expresses most sincere congratulations on behalf of the BCP Central Committee and on Comrade Todor Zhivkov's personal behalf, to the Yugoslav leader on the occasion of his election to this post. The telegram also addresses the best wishes for success in implementing the responsible tasks pertaining to the progress of Socialist Yugoslavia in the spirit of the decisions adopted by the 13th LCY Congress.

The telegram expresses the profound conviction that the further development and intensification of cooperation between the BCP and the LCY will be an important contribution to the consolidation of peace and security in the Balkans, and the world.

TANCHEV MEETS PRIME MINISTER MARTENS IN BRUSSELS

AU021856 Sofia BTA in English 1816 GMT 2 Jul 87

[Text] Brussels, July 2 (BTA correspondent) — Today Dr Wilfried Martens, prime minister of Belgium, received Mr Petur Tanchev, secretary of the Bulgarian Agrarian Party and first vice president of the State Council, who is paying an official visit to Belgium.

Dr Martens showed interest in Bulgaria's history and development and Mr. Tanchev familiarized him with this country's socio-economic life, with the new tasks which are being fulfilled now. The Bulgarian official stressed the availability of considerable opportunities for the expansion of Bulgaro-Belgian ties and cooperation in various fields.

Dr Wilfried Martens agreed that there are such opportunities, and he also expressed willingness that the contacts between Bulgaria and Belgium be activated at different levels. He assessed in positive terms Bulgaria's active foreign policy in the interests of peace, detente and international cooperation.

Dr Martens made a special point of the fact that Bulgarian foreign policy and especially the work of State Council President Todor Zhivkov is closely followed and enjoys respect from a number of Western politicians.

The Belgian Prime Minister said he was optimistic about the prospects of East-West relations and hoped that a Soviet-American summit will take place at which an agreement on the elimination of medium-range missiles in Europe will be signed.

The Belgian head of government emphasised that he was pleased with the fine contacts established between the Bulgarian Agrarian Party and his Social Christian Party (C.V.P.), and the Belgian Farmers' Association "Burenbond", which create a favorable atmosphere for the promotion of bilateral cooperation.

FURTHER REPORTAGE ON VISIT BY GREEK ARMY CHIEF

Speaks at Luncheon

AU031830 Sofia BTA in English 1544 GMT 3 Jul 87

[Text] Sofia, July 3 (BTA) -- "The views of Greece and Bulgaria on a number of issues, especially in respect to the Balkans, coincide," said today Colonel General Nikolaos Kouris, the chief of staff of the Greek army, who is in the third day of his visit to Bulgaria, stated at a lunch given in his honor that the friendship and cooperation between Greece and Bulgaria correspond to the lasting interests of the two countries and are a contribution to peace and security in the Balkans and in Europe. The Greek General added that the exchange of visits is a further step forward in fulfilling the clauses of the declaration of friendship, good-neighbor relations and cooperation between the two states.

Colonel General Kouris noted that the exchange of military delegations adds to the diplomatic efforts of the two countries. He said that the fact that the two armies are coming to know each other better is significant both militarily and in the sense that it improves the confidence and cooperation between the people of Greece and Bulgaria. "Confidence is needed in order to broaden our friendly ties and to improve the situation in this part of the world," said he.

The guest said that the bilateral relations can serve as a model of friendship and good-neighbor relations despite the fact that Greece and Bulgaria have different socio-political systems and belong to different military and political alliances.

Colonel General Kouris assessed highly Bulgaria's principled and constructive policy in respect to the Cyprus issue and noted that the two countries share similar positions in different international organizations and especially in the international civil aviation organization.

Army General Dobri Dzhurov, minister of people's defense of Bulgaria, said that General Kouris' visit to Bulgaria (the first such visit ever) is indicative of the confidence and friendship between the two countries which is in the interest of their peoples. "The peace initiatives of Bulgaria and Greece are important steps towards the turning of the Balkans into a peninsula of cooperation, peace and friendship. These relations significantly contribute to the improvement of the situation in Europe and in the world," said he.

The Bulgarian defense minister said that Bulgaria respects the efforts of the Greek Government and of Prime Minister Andreas Papandreou aimed at turning the Balkans into a zone free of nuclear and chemical weapons. Noting that the bilateral relations, built through joint efforts, serve as an example of relations between two countries of different socio-political systems, Army General Dobri Dzhurov emphasized on the great potential for developing the relations in different fields. "Bulgaria and Greece have a vital interest in developing further the mutually advantageous cooperation," said he.

The Bulgarian Defense Minister discussed the Warsaw Treaty proposals, whose implementation would result in progress in the strengthening of world peace and confidence. "We are now looking forward to the constructive reply of our partners. In our complicated and dynamic times we should seek for such solutions of all problems that would guarantee the security and sovereignty of all peoples," said he.

Colonel General Kouris, who is ending his visit to Bulgaria tonight, had talks with Army General Dobri Dzhurov, with Colonel General Atanas Semerdzhiev, first deputy minister of defense and chief of Staff of the Bulgarian Army. He visited two military establishments of higher education and saw a tactical exercize at a training site close to Sofia.

Talks With General Dzhurov

AU061555 Sofia RABOTNICHESKO DELO in Bulgarian 4 Jul 87 p 6

[BTA report: "As Good Neighbors and Friends"]

[Excerpts] On 3 July a meeting took place between Army General Dobri Dzhurov, minister of national defense, and Colonel General Nikolaos Kouris, chief of the National Defense General Staff of the Republic of Greece.

They noted with satisfaction that Bulgarian-Greek relations are an example of relations between states with different social systems. These relations have been constructed with the two countries' common efforts, good will, and constructive attitude, and with their leaders' statement like wisdom and political realism. The Declaration on Friendship, Good-neighborly Relations, and Cooperation Between Bulgaria and Greece, which was signed last year, has a special significance. The sides to the talks especially stressed the two countries' determination to further make their contribution to turning the Balkans into a nuclear and chemical weapons-free zone.

The meeting was attended by Colonel General Atanas Semerdzhiev, first deputy minister of national defense and head of the General Staff of the Bulgarian People's Army; Colonel General Mitko Mitkov, head of the Main Political Administration of the Bulgarian People's Army; and Ioannis Bourloyannis-Tsangarides, Greek ambassador to Bulgaria. [passage omitted]

Later in the day Col Gen Nikolaos Kouris departed from Bulgaria.

HUSAK CONGRATULATES REAGAN ON INDEPENDENCE DAY

AU071724 Prague RUDE PRAVO in Czech 4 Jul 87 p 1

[CTK report in the "Receptions, Negotiations, Telegrams, Letters" column]

[Text] Prague (CTK) -- CSSR President Gustav Husak sent a congratulatory telegram to U.S. President Ronald Reagan on the occasion of his country's national holiday.

RUDE PRAVO ON CPSU CENTRAL COMMITTEE SESSION

AU020836 Prague RUDE PRAVO in Czech 29 Jun 87 p 1

[Editorial: "Significant Source of Knowledge, Experience, and Inspiration"]

[Text] We closely follow and study everything that happens in the Soviet Union with deep interest. The period since the April 1985 session of the Central Committee of the party of Soviet Communists is proving to us more and more conclusively what an intensive theoretical and practical activity has developed in the meantime, and what a purposeful search is going on for a solution to the new problems encountered by Soviet society.

At the CPSU Central Committee's June session Mikhail Gorbachev stated that during the last 2 years the political situation in the Soviet Union had changed substantially. The party has worked out a line that is oriented toward restructuring, a line that has crossed the borders of economy and become restructuring in the broadest -- political and social -- sense of the word, a line that is providing a powerful and irreversible impetus to social progress. The democratization process in all aspects of life is broadly developing and deepening throughout the country.

The whole of Soviet society is in motion, and this is most evident in the economy. The people's attitude to work and the fulfillment of their duties at work is changing. Several branches of the economy are going over to new economic methods, to total economic accountability [khozraschet] and self-financing in connection with the development of progressive forms of work organization.

And now it was stated quite openly at the CPSU Central Committee session that progress is not without obstacles. It is only logical that all things new must persistently struggle for their future against the old methods, habits, and routine, which fight to keep their positions. And thus it is that Soviet restructuring, too, is encountering conservatism, inertia, egotistic interests, and a bureaucratic style of work in various spheres.

What, in the eyes of the CPSU Central Committee Politburo, is the most effective means for overcoming this? Mikhail Gorbachev provides an unambiguous and clear answer: "A broad development of democracy. [paragraph continues]

Practice is again proving that it is exactly the various instructions and administrative forms of the management of society that are hampering our progress today; and that this progress can be properly accelerated by democratic, and only democratic, forms."

The CPSU Central Committee has adopted a significant document: Basic tasks in Radically Restructuring the Management of the Economy. It has also passed a USSR draft law on state enterprise (amalgamation), which will be submitted today [29 June] to the USSR Supreme Soviet Session. Both documents contain directives for a radical restructuring of management and for a new implementation of the principles of democratic centralism and of the management of socialist economy.

At a meeting with a delegation of Czechoslovak journalists on Friday [26 June], Comrade Husak stressed that the CPSU Central Committee's June session signifies a creative development of the Leninist understanding of socialist construction, and that its results are "a significant source of knowledge, experience and inspiration" also for our own party and society in resolving the pressing issues in further progressing toward the realization of conclusions adopted by the 17th Congress of our party.

The restructuring of our own economic mechanism has not yet progressed as far as the Soviet restructuring. However, it is all the more important to learn from Soviet experience mentioned above, as well as from the ways of resolving matters there. After all, even the very first, tiny steps which have been taken more as an experiment than anything else have produced reactions which were not only positive; in some places doubts are seeping through -- due to a sincere wish to prepare restructuring in the best way possible, so that it yields the maximum effect. But we also note certain moods which do not wish the economic reform to succeed.

The CPSU Central Committee's June session has provided an example of how impossible it is to avoid conflict situations cropping up during a reform process. As the restructuring process in the Soviet Union gradually develops, attention is focused on ever new problems -- for instance, on the harmonization of social and personal interest, on confusion of equality with egalitarianism, and so forth. That is why the theoretical front is expected to provide a precise analysis of the totality of facts in society's life, and also a scientific substantiation of our goals and prospects. It is impossible to achieve successful progress by trial and error. Political management requires one to know how to reveal conflicts and resolve them efficiently -- conflicts that must not be covered up or be left to accumulate, but must be turned into a source of progress and advancement.

In the theory and practice of socialism, the main question is how to create (on socialist foundations) incentives for economic, scientific-technical, and social progress that are stronger than those created under capitalism; and how to combine planned management as efficiently as possible with the interests of an individual and a collective. At the same time the forms of development of a socialist society must not be understood rigidly, or considered immutable.

Progress demands a constant improvement of the organization of state, social, and economic life, of the mechanism of economy managment, and of other sectors, so that one can ensure a dynamic development, raise efficiency permanently, and establish prerequisites for an improvement of living standards and for the satisfaction of the people's needs. Every new period brings new tasks to which one must react creatively both in politics and in the economy.

The new phase, and the dynamics of the scientific-technical revolution in particular, categorically demand the intensive method of economic development. Our own experience, too, confirms that one cannot make do with the existing system of management. All this leads to the conclusion on the restructuring of economic mechanism and the transition from our prevalently administrative management to economic management.

The radical restructuring of the USSR's economic mechanism begins at the basic economic link: the enterprise and the association. It strives to establish the most favorable environment for it, to consolidate its rights, while simultaneously increasing responsibility, and on these foundations to develop basic changes in the operation of higher economic management links. The draft law on the enterprise (association) was publicly discussed for several months. The discussion led to the conviction that it provides a good foundation for the transition to a new economic mechanism. However, an emphatic demand was also voiced in the discussion, namely that one should not retreat before the habits and ideas of inertia and that the new law should not be made dependent (as often happened in the past) on numerous instructions which would emasculate its substance and hamper restructuring. This, too, shows that the broad working people's masses are interested in successfully coping with restructuring, in energetically setting off toward new goals not only in the national economy, but also in society as a whole.

We in our country are also preparing a draft law on state enterprises; it will be published in the middle of July and presented to the public for discussion. One can only hope that the expected discussion evokes a general wave of working initiative and -- with the changes under preparation in mind -- that it favorably influences the accomplishment of our present tasks, thus establishing the tasks adopted by the 17th CPCZ Congress for the period of the Eighth 5-Year Plan and with a view to the year 2000.

Our Republic has developed cooperation with the socialist countries, and with the Soviet Union in particular. It is all the more necessary to devote attention to the important intention voiced at the CPSU Central Committee session, namely that the "restructuring of the economic mechanism should establish favorable economic and organizational-legal conditions for a deep integration of our national economy with the national economies of fraternal countries."

It has already been said that a number of specific decisions on the most important issues of management restructuring will be adopted in the Soviet Union this year, so as to harmonize centralized managment with the law on the enterprise. The enterprises and associations producing about two thirds of the entire industrial production, as well as other branches in the USSR, are to start operating according to the new law as of the beginning of next year. It is planned to conclude the transition to the new conditions by 1989. This, too, indicates how the rates of restructuring the economic mechanism in the USSR are accelerating.

This process is not without its dramatic moments, since new and old management methods will be operating simultaneously for a certain period. It is a process that calls forth new sources of strength and sharply increases the demands on working standards. Since the Soviet Union is our most important economic, trading, and scientific-technical partner, it is in our innermost interests to devote full attention to the way it restructures its economic mechanism and to seek in this not only a source of instruction for similar plans of our own, but also to realize in time that the rapidly increasing demands will also be increasingly reflected in our mutual cooperation. [paragraph continues]

It should be one of the aims of the restructuring of our economic mechanism which we are preparing to achieve an identical escalation of demands and efficiency, so that we can keep in step. There can be no doubt about the advantages which this would yield us.

HAJEK RECEIVES SOVIET DEPUTY DEFENSE MINISTER

LD080021 Prague Domestic Service in Slovak 1100 GMT 7 Jul 87

[Text] Josef Hajek, deputy mayor of Prague, received a Soviet civil defense delegation headed by Army General Vladimir Govorov, USSR deputy defense minister and chief of civil defense, in the Old Town Hall today. Josef Hajek recalled the Soviet Army's heroics in the liberation of Prague.

Afterward the guests toured the historical areas of the Old Town Hall and informed themselves about some events of the Hussite period. They signed a distinguished visitors's book of the Prague National Committe, and Vladimir Govorov received a medal commemorating the unification of four Prague towns.

HUSAK CONGRATULATES SFRY'S KRUNIC ON ELECTION

AU071458 Prague RUDE PRAVO in Czech 1 Jul 87 p 1

[Text] Prague -- Gustav Husak, general secretary of the CPCZ Central Committee, has sent a letter to Bosko Krunic, congratulating him on his election as president of the LCY Central Committee Presidium.

The letter expresses the conviction that the traditional friendship and comradely cooperation between the CPCZ and the LCY, and between the two fraternal countries will continue to develop in the interest of the strengthening peace and socialism in the world.

ROMANIA'S ANDREI ARRIVES ON WORKING VISIT

LD071929 Prague Domestic Service in Czech 1630 GMT 7 Jul 87

[Text] At the invitation of the CPCZ Central Committee, Stefan Andrei, candidate member of the Political Executive Committee and secretary of the RCP Central Committee, arrived on a working visit to Czechoslovakia.

During the talks with Milos Jakes, Presidium member and CPCZ Central Committee secretary, they exchanged information on the implementation of the conclusions of the 17th CPCZ Congress and 13th RCP Congress on the economic and political situation in the two countries. They positively assessed mutual economic and scientific-technical cooperation, and expressed interest in its further deepening and advancement. They expressed a need to implement consistently the conclusions of the talks between Comrades Gustav Husak and Nicolae Ceausescu on implementing the tasks following from the Long-Term Program of Cooperation Between the Two States Until 2000. They pointed out the necessity of making full use of expanding cooperation and specialization between enterprises and organizations on the basis of bilateral advantage.

Comrades Milos Jakes and Stefan Andrei also exchanged views on an approach to the implementation of the comprehensive program of the scientific-technical advancement of the CEMA countries until 2000.

FOJTIK, OTHERS ATTEND JOURNALISTS' CONGRESS

LD281105 Prague Domestic Service in Czech 1000 GMT 27 Jun 87

[Excerpt] The proceedings of the Ninth Congress of the Czechoslovak Journalists' Union, which is continuing in the Palace of Culture in Prague, have been confirming the determination of the whole of the journalists' association to take an active part in implementing the revolutionary tasks of today.

Delegates representing more than 7,000 Czechoslovak journalists welcomed a delegation of the CPCZ Central Committee, Central Committee of the National Front and Federal Government headed by Jan Fojtik, candidate Presidium member and secretary of the party Central Committee. Also in the delegation are: Zdenek Horeni, member of the secretariat of the CPCZ Central Committee and editor-in-chief of RUDE PRAVO; Ludovit Pezlar, member of the Presidium and secretary of the CPSL Central Committee; Otto Cmolik, head of the Mass Media department of the CPCZ Central Committee; Matej Lucan, federal deputy premier; and Tomas Travnicek, deputy chairman of the Central Committee of the National Front.

Also at the congress are delegations of the journalists' unions of the Soviet Union, Hungary, the GDR and Poland, a delegation of the IOJ [International Organization of Journalists] and other guests. [passage omitted]

Fojtik Makes Speech

AU070717 Prague RUDE PRAVO in Czech 29 Jun 87 p 3

[Report on a speech by Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee, at the Ninth Congress of the Czechoslovak Journalists' Union in Prague on 28 June: "Czechoslovak Journalism and the Tasks of Today"]

[Text] Opening his speech Jan Fojtik conveyed to the congress delegates greetings from the CPCZ Central Committee Presidium and Comrade Gustav Husak personally.

He emphasized the social importance of the work of our ideological front at a time when the party and society wage a determined struggle to implement the program of the 17th CPCZ Congress, the strategy of accelerating socioeconomic development, and to carry out restructuring in all sectors of our life. Our socialist journalism must also contribute to the success of this struggle, Jan Fojtik stressed. The course of the Ninth Congress of the Czechoslovak Journalists' Union shows that the journalists are aware of this.

Jan Fojtik appreciated the businesslike tenor and character of the congress proceedings. The criticism that can be heard here, he said, demonstrates a sincere endeavor to remove the shortcomings that worry us. It is an expression of efforts to raise the standard of the work of journalists to a higher level in line with new needs and requirements. And that is the most important thing today. Nowhere, not in any editorial office, can we be satisfied with the already achieved state of work and think that there is nothing that could stand an improvement. Everywhere, in every editorial office, the work so far must be scrutinized critically; not because today everyone talks about criticism and the need for it, but because without criticism we shall be unable -- and this, naturally, has a more general application -- to cope at the necessary level with the tasks that we face.

It is necessary to think responsibly about every newspaper issue, every page, each article, commentary, piece of news, every bit of material that we published in any publication, especially in those with mass circulation, to examine for the editorial teams concerned how convincing and effective are the arguments that we use, and to consider to what extent they help the readers, listeners, and viewers whom we address in their political, ideological, and social orientation.

We have to ask this question, a question concerning the sense of our journalistic work, repeatedly, and everywhere. We must not be content anywhere with an evasive or superficial reply, let alone limit this reply only to the formal aspect of this work, to its attractiveness. Even when working on so-called small materials, it is necessary to bear constantly in mind that the mission of our journalism is not only to reflect the reality in its interesting outward forms but, above all, to contribute as much as possible to the activation of the human factor, to awaken and deepen people's interest in political life, in the fate of their country and developments in the world, and to guide them toward active and conscious participation in the great common cause of socialist construction, in the formation of a new society founded on the values of socialism.

There should be no feeling of satisfaction even where journalists rightly believe that they are abreast of the times. In the journalism that we need today, this is not enough. Its ambitions have to be higher. It has to tirelessly and incessantly initiate ideas; stimulate development; fight for, disseminate, and defend ideas gained by the knowledge and practice of those who are in the forefront; and persistently call for boldness in the search for new paths of development. However, it also must signal various dangers threatening the society while there is still time and thus head off great losses while it is still possible. It has to warn against every sort of irresponsibility and reckless attitude toward the interests of society and its future. And on no account must it let itself be abused for cheap propaganda and for disguising the complexity of problems that we must resolve in the interest of the further development of socialism, or in the interest of eliminating its long-term deformations. Journalism immediately shares responsibility for how responsibly people approach these problems, how competently they can judge them, how truthfully they see them, and whether they fully appreciate the factors and connections that can be decisive for coming to terms with them.

Jan Fojtik went on to discuss the tasks of Czechoslovak journalism in the process of our society's restructuring. The measures of the involvement of journalism in this process will to a considerable degree determine the course, speed, and consistency of restructuring.

The entire outcome of this extraordinarily important effort is, in fact, conditional on the degree to which it becomes the concern of broad social strata; on the degree to which we succeed in establishing the appropriate social climate, a climate encouraging restructuring and guaranteeing its consistency and the connection of its elements in the political, socioeconomic, and cultural spheres in a single chain; on the degree to which we succeed in gradually resolving one problem after another with broad participation of the public. In this connection he pointed to the inspiring example of the activity of the CPSU, its consistency and purposefulness in the process of restructuring. The profound social changes taking place in the Soviet Union are accompanied by changes in the thinking and mentality of the people, of the broad public. They are directly predicatd on wide-ranging "glasnost" [openness; Russian term used], on the unprecedented openness of policy, on passionate, serious, and businesslike discussions on disparate burning issues, on confrontations of views that are aimed at promoting and strengthening socialism and deepening socialist democracy and socialist self-administration of the people. Soviet information media are an example showing us how to discharge the democratic function of journalism in the socialist society and how to use the media to make sure that the working people are the subject of policy, and not its mere object.

In the present stage of our society's development, two issues matter most -- the realization of the vital necessity of our economy's determined transition from extensive development to intensive development, and -- something which is inseparable from this -- the inevitability of doing away with the mechanism which puts the breaks on our society's development and stands in the way of its modernization, particularly in the way of the influx of the results of scientific-technical progress, and the necessity to establish conditions for the fullest possible development and assertion of the creative potentials of society, for broad democratization, and for genuine -- and not just proclaimed -- activity and initiative of broad strata of the people, of work collectives, and citizens.

We are facing a period, Jan Fojtik stressed, in which public discussions on key issues of the further development of our society will assume a continuously growing importance and will become, as we are convinced, a routine method of the social activation of people on a broad scale. Our information media will have to abandon the method of a fragmentary presentation of "exchanges of views," which is used by some editors in order to give preference to certain voices and to suppress others, often at variance with the policy of the party in this or that sector. Not only does this method not reflect the actual state of public opinion, but it also does not make it possible to have an impact on it, to shape it in accordance with the long-term goals which our society sets itself. This method can be overcome only by broadening the discussion base, by making the broadest possible circle of people join the discussion, especially those who have something to say about the problems being discussed, who possess valuable knowledge and experience, and are capable of a businesslike argumentation (an argumentation that does not sidestep burning problems).

The question may arise in this regard: What limits do we in fact impose on discussions? The answer is unequivocal: The limits being imposed are the benefit brought to society and the fundamental interests of the policy of the party, our state, and the National Front. To respect this benefit for the society and the fundamental interests of our policy one needs no censorship, nor any sort of "self-censorship," a term which, in fact, can only be used when someone writes about something he does not believe in, something which goes against his conscience. Of course, with such people we cannot make our journalism. And this also gives an answer to the question whether we bar anyone from discussion in advance. We have no blacklists of names that have been put on an index. [paragraph continues]

Our sole interest is to maximize the full use of the intellectual wealth of society. Everyone himself decides about his chances -- by his knowledge, his experience, his natural authority, his behavior, and his attitude toward our society, toward socialism. One thing is absolutely clear, however -- we shall hardly receive correct advice on how to proceed in building socialism from its enemies. Those who preach water and drink wine cannot be persuasive either.

Jan Fojtik went on to deal with the function of criticism as an important factor of democratization. He mentioned that "glasnost" [Russian term used] raises demands on the responsibility of every journalist, on his competence. In this connection he emphasized the need to further improve the political and professional qualifications of the press, radio, and television staffs. He said that exceptional attention needs to be devoted to economic propaganda and that the circle of those speaking on economic problems must be broadened. We still keep coming across economic propaganda which respects only the producer and, if it communicates the interests of the consumer at all, does so in an outdated fashion, just from the viewpoint of what he did not get, what he misses. This viewpoint, too, has its justification, but it is necessary to get to the causes, to try to close their circle, not to let people believe that they can raise demands only as consumers and that when production comes to be criticized the criticism does not concern them. It should not be forgotten either that the interests of the people must be steered -- as has been discussed by Comrade Mikhail Gorbachev; that needs must be shaped in accordance with the criteria of the socialist way of life. Therein lies an active and formidable task for information media.

A draft law on the state enterprise will soon be made public and a broad-based discussion on this bill will continue until the end of October. This will be an important test of democracy in the coming period. As in the Soviet Union, also in our country it is necessary to establish an economic mechanism for the activity of an enterprise that is based on complete economic accountability, profitability, and financing from retained earnings; ensures effective internal stimuli for its development; and encourages work for the benefit of the consumer, comprehensive cost-consciousness, and a wide-ranging utilization of science and technology. This transition will constitute an unusually complicated process, which will not be free of tension and conflicts.

What does this entail for us? That we should engage in discussions and wait for the new mechanism as some sort of salvation? Even today there are manifestations of temporizing, a dangerous tendency that has apparently been called forth by the circumstance that the new economic mechanism is being approached as something that will be introduced from above and that is supposed to bring about an abrupt turn for the better, making us embark upon the new stage of intensification and liberating us fully from all the things that have been a burden on our economy until now -- the high production input, the low level of adding value to raw materials, the uneconomical use of manpower and capital assets, the dissipation of resources in capital investment, the shortage of precisely those products that are needed most, the poor quality of products, and so forth.

The new economic mechanism should, indeed, lead to a turnabout, Jan Fojtik stressed. However, it will be a painful process that must be unfolded in a sequence of certain phases. Of course, we must be interested in proceeding as energetically as possible so no time is lost. However, to do this we must substantially intensify ideological and psychological preparation [for restructuring] as well as the moral preparation of both managerial staffs and the broad public, the work collectives. Our entire economic propaganda must now be subordinated to this aim. [paragraph continues]

This presupposes, of course, that we concentrate on this and at the same time on the specific tasks of the plan. The difficulties we have been encountering in these first 2 years of the Eighth 5-Year Plan bear out how deeply ingrained the extensive method of management had become.

Although we concentrate the thrust of our attention on the economy, Jan Fojtik continued, other problems must also be subjects of interest for our journalism, such as questions concerning services and the entire tertiary sphere or questions of social policy or the environment. Immense dangers loom in the ecology, the neglect of which could have unfathomable consequences. We must therefore sound the alarm in the information media. This has nothing to do with the panic-mongering; it is a question of mobilizing resources to tackle an extraordinarily grave problem, a problem of a literally vital importance. It is necessary to thoroughly think through and initiate systematic propaganda work geared to protecting the environment and enhancing, in general, the conditions in which we live; to go over to a genuine offensive; and to shape public opinion in such a way that no one dares display even a bit of irresponsibility in this respect.

Our propaganda must become more assertive also with regard to the questions of defense education, education toward socialist legality, health education, everywhere that people's interests and needs are at stake.

In another part of his speech, Jan Fojtik appreciated the attention paid by the Czechoslovak information media to current foreign political problems. But even here we must not succumb to self-complacency, even here there are things to be improved, especially with regard to making our argumentation more profound, the speed of response, and the persuasiveness of our words. It is particularly important that our people identify fully with what we call the new political thinking, at the root of which is the demand to establish and deepen trust among states with different social systems, and that our propaganda display an even greater initiative than has been displayed until now in promoting this fundamental demand. It is also necessary to explain more the global problems that confront mankind today and to show that which must inevitably bind the nations for cooperation. It is also necessary to point out the role played in all these efforts by our socialist community, by the Warsaw Pact countries, which have recently reaffirmed that they are the guarantor of peace and progress in the world when they adopted a document on the defensive nature of the organization's military doctrine.

He stressed, furthermore, that the quest for disarmament, especially in the nuclear sphere, is a complex struggle and that we must show this complexity in our propaganda. He recalled the obstructions of certain Western states at the talks on the elimination of medium-range and operational-tactical missiles in Europe. The CSSR is seriously concerned, for example, by the efforts of American negotiators to keep, after the conclusion of an agreement between the United States and the USSR, the nuclear warheads of the Pershing-1A missiles on the territory of the FRG as "property" of the Bundeswehr.

In concluding, Jan Fojtik voiced his conviction that our Czechoslovak journalism will continue to represent a reliable combat detachment of the Communist Party, the socialist state, and the entire National Front in the ideological offensive that we are undertaking. He coveyed to all press, radio, and television journalists, to the staff of all our information media, wishes of great success in their future work.

Resolution Adopted

LD281904 Prague Domestic Service in Czech 1500 GMT 28 Jun 87

[Text] The delagates to the Ninth Congress of the Czechoslavak Journalists' Union which ended in Prague today unanimously adopted a resolution on the tasks of the CSSR journalists following the 17th Congress of the CPCZ.

According to the document, the union will concentrate on all-round strengthening of the joint responsibility of Czechoslovak journalists for the development of the personality of socialist man and the creative activity of working people. They will purposefully develop their activity so that the organs and organizations of the union might efficiently help to implement the principles of openness and broad public informativeness. They will step up the share of journalists in explaining the tasks of restructuring economic mechanism. The activity of the CSSR Journalists' Union, according to the resolution, will concentrate also on developing positive qualities of the socialist journalist which strengthen his moral and ethical prerequisites for highly responsible, principled, conscientious, and honest activity while critically assessing economic, social, and cultural life.

The delegates to the congress also adopted a letter to the CPSU Central Committee which expresses the determination of journalists to purposefully implement the party line of restructuring of all social spheres and democratization of the society, to implement new ways of thinking, to explain and support peace initatives of the USSR, to further develop cooperation with all progressive journalists of the world. The new Central Committee of the Czechoslovak Journalists' Union has reelected Comrade Jan Risko as its chairman in a secret ballot.

The Ninth Congress of the Czechoslovak Journalists' Union was addressed today by the head of the delegation of the CPCZ Central Committee, the Central Committee of the National Front and the federal government, Comrade Jan Fojtik.

Secret-Ballot Election Held

AU041928 Bratislava PRAVDA in Slovak 29 Jun 87 p 2

[Summary] At the closing session of the Ninth Congress of the Czechoslovak Journalists' Union, which was held in Prague on 27 and 28 June, the 430 congress delegates elected in a secret ballot the union's new Central Committee and Central Control and Auditing Commission. All proposed candidates were elected unanimously or by a majority of votes. The newly elected Central Committee of the Czechoslovak Journalists' Union then gathered for its first meeting. In a secret ballot it elected Jan Risko chairman of the Central Committeeof the Czechoslovak Journalists' Union; Stefan Bachar, Josef Valenta, and Ljuba Mestekova deputy chairmen; and Josef Vesely central secretary. [Bratislava SMENA in Slovak on 29 June on page 2 reports that the newly elected Central Committee Presidium of the Czechoslovak Journalists' Union has the following members: Jan Risko, Josef Vesely, Josef Valenta, Stefan Bachar, Ljuba Mestekova, Pavol Dinka, Jaroslav Hacman, Vladimir Hudec, Kamil Knotek, Jaroslav Kojzar, Jiri Kubka, Jaromir Masek, Karol Mikulka, Izabela Pazitkova, Vaclav Polak, Stanislav Toms, and Vojtech Vesely.]

HONECKER CABLES REAGAN ON INDEPENDENCE DAY

AU071723 East Berlin NEUES DEUTSCHLAND in German 4-5 Jul 87 p 1

[Text] Berlin (ND) — Erich Honecker, SED Central Committee general secretary and chairman of the GDR State Council, has sent the following telegram to U.S. President Ronald Reagan:

On the occasion of your country's national holiday I convey to you and to the people of the United States of America my congratulations as well as best wishes for a peaceful future.

Peace, disarmament, and cooperation are the most important requirements of our time. We can make an important contribution to them through the constructive development of relations between the GDR and the United States of America on the basis of respect for the principles of sovereign equality, noninterference, and mutual benefit.

Erich Honecker,

general secretary of the SED Central Committee and

chairman of the GDR State Council

TRAVELERS TO FRG EXPERIENCE DROP IN MONEY EXCHANGE

FRG Paper Reports Reductions

LD031819 Hamburg DPA in German 1522 GMT 3 Jul 87

[Text] Hamburg, 3 Jul (DPA) — GDR citizens visiting relatives in the West have only been able to exchange M15 marks for one DM since 1 July. Hitherto they were able to exchange and take with them up to 70 marks, FRANKFURTER RUNDSCHAU reports (Saturday edition). The Federal Interior Ministry has information from the Federal Frontier Protection that travelers from the GDR are reporting a reduction in the amount that can be exchanged.

According to the paper, a spokesman for the Ministry of Intra-German Relations said the Federal Government will look into the reports. "Such a measure would cause considerable problems for the people affected and cast a shadow on the more generous East-West travel procedures that have applied recently."

'Purely GDR Business'

LD031820 East Berlin ADN International Service in German 1634 GMT 3 Jul 87

[Text] Berlin, 3 Jul (ADN) — In response to a question by a Western news agency about the furnishing of GDR citizens with means of payment for journeys abroad, the GDR Foreign Ministry spokesman said that this is purely GDR business. It regulates this to meet the requirements of constantly increasing travel, especially in urgent family matters.

DOHLUS PRESENTS REPORT TO SED CENTRAL COMMITTEE

AU020601 East Berlin NEUES DEUTSCHLAND in German 19 Jun 87 pp 3-8

["From the report of the Politburo to the fourth session of the SED Central Committee, presented by Horst Dohlus, Politburo member and secretary of the SED Central Committee" -- presented in Berlin on 18 June 1987]

[Text] Dear comrades, the period since the third session of the SED Central Committee has been characterized by united and cohesive action and the process of the growth of our party in further implementing of the decisions of our 11th Party Congress. It has been characterized by great foreign policy activity by our party in the fight for the preservation of world peace, for disarmament, and for the prevention of a nuclear inferno. It has been characterized by the struggle for the further dynamic growth of our national economy and the consistent realization of our economic strategy in efforts toward further strengthening and consolidating our GDR.

I. SED Foreign Policy Activity Aimed at Safeguarding Peace and Social Progress in the World [chapter head]

In the period under review, increased efforts were made to implement the resolutions of the 11th Party Congress in th foreign policy sphere. Naturally, here the questions of the struggle to safeguard peace and to bring about arms reduction and disarmament were the focus of the Politburo's activity. Looking back on the past months, we note that the peace policy of socialism is influencing the world political situation more strongly than ever before.

The coalition of reason and realism, to which the GDR is making a weighty contribution, has gained new political and social breadth. The social forces' activities in the struggle to preserve peace have increased. Clarity about who is for and who is against disarmament has grown.

The new element lies in the fact that the tempestuous growth of the social movements of peace supporters is accompanied by the actions of an increasing number of states and groupings of states of the non-socialist world against the danger of nuclear war and for socialism's program to mobilize for disarmament.

On the Results of the Berlin Meeting of the Warsaw Pact Political Consultative Committee [subhead]

The outstanding event of the period under review was the meeting of the Political Consultative Committee of the Warsaw Pact states in Berlin on 28-29 May. The SED Central Committee Politburo, the GDR State Council, and the Council of Ministers accepted the respective report of the GDR delegation and fully approved the outcome of the Berlin meeting of the highest political forum of the Warsaw Pact. They thanked Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, for the work done by the delegation he headed.

Comrades, the participants in the Berlin summit agreed in the assessment that, through the peace initiatives of the socialist states, above all of the USSR, the work of the peace forces is exerting a greater influence. A reduction in the aggravating of international tensions has been achieved, and thus more favorable conditions for solving the key questions of security and disarmament have been created. The prestige and authority of the community of states have grown.

With their consultations and the adopted documents, the highest representatives of the states fraternally allied in the Warsaw Pact have reaffirmed the firm unity and cohesion of our alliance. The further strengthening of the overall potential of socialist ways and directions has been marked out, which serves to deepen and improve our parties' and states' collaboration in all spheres of social life.

We see the fact that this meeting of the Political Consultative Committee took place in the year of the 750th anniversary of Berlin, the capital of the GDR, as an expression of the unshakable friendship and unity of the peoples of the socialist community, and as an expression of the fact that the GDR is firmly and unshakeably anchored in the socialist family of peoples. On behalf of our party and our people, the Central Committee thanks the frateral parties and fraternal countries for this magnificent manifestation of unity and socialist internationalism.

Comrades, starting from a unified assessment of the situation, the participants in the meeting reaffirmed that the alliance of the socialist states has a comprehensive and concrete disarmament program for all types of weapons, which exercises a far-reaching and beneficial influence on the international situation. In the West they also cannot help recognizing this. It can thus be rightly stated that our joint struggle for peace and security is bearing fruit.

The Berlin meeting expressed the united will and firm determination of the member states to continue their global and regional initiatives for reducing military and political confrontation and in so doing, to take up carefully and support everything constructive that is expressed and proposed by the other side.

The Politburo stressed the importance attached to the elimination of U.S. and Soviet medium-range missiles in Europe. The signing of such an agreement would be a start for nuclear disarmament and thus a decisive step, making progress along the path of disarmament. It would be the first act of real arms reduction in nuclear weapons in postwar history. Success in this important issue would be an event of world political consequence. It would create a favorable atmosphere for solving further questions and influencing to a large degree the direction that developments in Europe and the world will take in the years ahead.

However, the negative consequences can be just as great as the expected gain if the possibilities for this significant disarmament measure are ruined. This would not only render the disarmament process much more difficult or even lead to its failure, it would also encourage those imperialist forces that are willing to open the gate to a fresh arms buildup, aimed at gaining military-strategic superiority and hegemony.

Here the difference between the increased chances for peace and the aggressiveness of those who hate disarmament and detente becomes evident. It is a question of overcoming these forces so that a new situation is created in the world, so that the mountains of weapons are eliminated, and confidence between states is strengthened.

The proposal to strive for a zero option for medium-range missiles meets with the broadest support among the East European public and throughout the world. The governments of the NATO states cannot escape the public pressure resulting from this. They publicly support the elimination of medium-range missiles.

Nevertheless, we must not for a moment underestimate the fact that the most aggressive, militaristic forces are at work to delay or to torpedo real progress. However, socialism's consistent and flexible policy restricts the ability of the enemies of detente to maneuver. In this connection, it should be noted that the Berlin session's correct and accomodating approach to the issue of asymetries in conventional weapons is meeting with respect and approval. The Warsaw Pact state's proposal to drastically reduce conventional weapons and armed forces from the Atlantic to the Urals on the basis of the principle of equality and equal security has long been on the table. Negotiating conventional weapons in conjunction with tactical nuclear weapons would be the appropriate way of advancing. Whoever complains about an imbalance should also be prepared to cancel it out with disarmament accords. Recent years have proved, after all, that it is not possible to obtain any more security by counter arming.

The political declaration of the Berlin session "On the Military Doctrine of the Warsaw Pact Member States" is of far-reaching — indeed, historic — importance. It underlines the exclusively defensive character of the alliance of socialist states. The military doctrine of the Warsaw Pact states does not contain threats and the striving for superiority. It starts from the necessity of maintaining the military balance at the lowest possible level, thus aiming at a defense potential that is indispensable for the reliable repulsion of an aggression, at quick disarmament steps as the most efficient way toward more security for all states.

Socialism's military defense doctrine runs counter to the NATO doctrine of "deterrence and nuclear first strike." It is simultaneously an open challenge to NATO for mutual restraint in the military sphere. It is a military doctrine of peace which is fully in line with the principles of peaceful coexistence, the security interests of peoples and states in the nuclear space age.

The GDR's Active Contribution to Peace, Disarmament, and Detente [subhead]

Out of a natural interest in security, the GDR advocates and supports everything that leads to disarmament measures. In accordance with our peace policy, the GDR is making an active contribution — which is recognized in the world — to ensure that only peace will ever emanate from German soil in the present and future. It is for this reason that Erich Honecker appealed to the Federal Chanceller of the FRG to support Mikhail Gorbachev's proposal of 28 February to conclude a separate agreement on the elimination of medium-range missiles in Europe. He also proposed to the Federal Chancellor that representatives of the two governments examine how the GDR and FRG can contribute toward exploiting, with joint responsibility, the opportunity that has been presented through the zero solution for medium-range missiles in Europe.

The first consultation between the two governments has shown that the GDR and FRG are for the withdrawal of medium-range missiles without reservation. This shared position by the two German states on a fundamental issue of foreign and security policy is without doubt extraordinarily positive for the progress of the Soviet-U.S. negotiations on this issue.

Comrade Erich Honecker addressed personal messages to British Prime Minister Margaret Thatcher, Belgian Prime Minister Wilfried Martens, and Netherlands Prime Minister Ruud Lubbers. He appealed to them to do everything in order for the zero option for medium-range missiles to be realized without delay.

In the light of the results of the Berlin session, increased importance is attached to the proposal made to the FRG Government by the GDR and CSSR Governments in April this year on starting negotiations on a nuclear-weapon-free corridor in central Europe. The implementation of this proposal would mean that not only nuclear warheads, but also the delivery vehicles, including those with dual capability — that is, nuclear and conventional -- would be withdrawn from this strip, which is about 300 km wide. From the political and military point of view the nuclear-free corridor would create more favorable preconditions for conducting the proposed negotiations on reducing and eliminating operative tactical weapons in a purposeful manner that promises success.

The GDR supports the comprehensive plan submitted by Comrade Wojciech Jaruzelski in May this year for reducing arms and raising trust in central Europe through the step-by-step thinning out of nuclear and conventional potential.

The initiative of the SED and SPD to create a chemical weapon-free zone in central Europe remains just as topical as ever. The GDR is in favor of the international convention on banning chemical weapons being concluded before the end of this year.

The commitments resulting from the final document of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe are being fulfilled conscientiously by the GDR. For instance, this spring maneuver observers from 22 CSCE states were present at each of the two exercises on the territory of the GDR. The GDR delegation is making an active contribution at the Vienna CSCE follow-up meeting so that it may lend fresh impulses to a new phase of detente policy, above all to increasing security and strengthening confidence between states. This requires, above all, the participants' readiness to start concrete work and to prepare future-oriented agreements for all areas of the Helsinki Final Act.

Together with the other Warsaw Pact states and all forces of reason, the GDR considers it extremely important that the search for agreements aimed at substantially reducing and ultimately eliminating strategic weapons must not be discontinued, and that in this connection the struggle to ban any stationing of weapons in space is stepped up. Together with its alliance partners, the GDR has spoken in favor of the Soviet Union and the United States' preparing key stipulations for agreements aimed at reducing strategic offensive weapons, at strengthening the ABM Treaty, and at limiting and completely banning nuclear tests.

Comrades, in the Politburo's view there are currently good chances of reaching an agreement under which nuclear weapons would not only be limited but really be reduced. But this needs new efforts, persistence, and determination because the recent weeks in particular have been characterized by the imperialist powers' massive pushes, in the style of the cold war, against the Soviet Union, the GDR, and the other socialist countries.

After the earlier visits by Western heads of state to their occupation zone, West Berlin, had mostly been made against the background of the 750th Anniversary celebrations, U.S. President R. Reagan made an attempt in his speech -- which was held, provocatively, behind the Brandenburg Gate — to question the inviolability of the borders and the territorial integrity of the European states, which is definitively laid down in international law in the European system of treaties and reiterated in the Helsinki Final Act, by using the slogan "Overcoming the Division of Europe."

Contrary to expectations in Western circles that the U.S. President would deliver a moderate speech that would accord with the disarmament negotiations currently in progress, his remarks did not contain any constructive elements whatsoever for the solution of fundamental issues. Without dealing with the new and constructive peace and detente proposals of the Berlin summit conference of the Warsaw Pact states, Reagan again propagated the lie about a threat, and slandered the socialist social system. With the aim of pushing through the policy of arms buildup still further, even with his own allies, he claimed that disarmement negotiations with the USSR were attainable only through the policy of strength. In this connection, Reagan advocated the continuation of the SDI project.

In this situation it is important to support the continuation of our peace offensive through an even stronger mobilization of the world public. The pressure of the broad masses of peoples must not slacken, not even when things seem to be advancing on the negotiating table because, without stirring the world's conscience, the negotiation will not lead to success.

Deepening the Tested Cooperation With the Soviet Union and the Other Socialist Countries [subhead]

Comrades: In accordance with the resolutions adopted by the 11th Party Congress, further efforts have been undertaken by the Politburo to purposefully expand the fraternal bond with the Soviet Union and the other socialist countries. We have allowed ourselves to be guided by the principle of making the advantages of socialism more and more perfect in their effectiveness, thus making our specific contribution to the comprehensive strengthening of the force and international attractive power of the socialist order of society. If it unites its forces and potentials, socialism has at its disposal everything necessary to secure peace, to guarantee peaceful conditions for socialist construction, and to fully meet the challenges of our times.

The Political Consultative Committee at its Berlin session stressed that, for the further successful progress of the countries of socialism, the process of intensification of their economies is of great political, economic, and strategic importance. In the race against time, it is a question of securing high labor productivity and the dynamic development of the national economy by means of top performances in the field of science, technology, and production; of constantly raising the living standards of the people; of strengthening the competitive capacity of socialism against capitalism; and of always maintaining the defense potential at the required level.

The consistent implementation of scientific-technological progress confronts every fraternal party with the necessity of seeking out appropriate forms and methods in the field of economic management, corresponding to both the general legalities and also to the concrete conditions of the respective country. From this there also emerge new challenges in shaping effective cooperation between fraternal countries. This calls for the greatest circumspection in proceeding, carefully taking into account the viewpoints and interests of partners, and mutual solidarity.

The friendly meeting between Erich Honecker and Mikhail Gorbachev during the latter's stay in Berlin was in the spirit of further deepening the traditionally close and proven cooperation between the SED and the CPSU, the GDR and the USSR, for the benefit of the two states and of socialism in general. They stressed their resolve to comprehensively expand cooperation in accordance with the tasks of social development in the two countries and with international requirements, on the foundation of the execution of the decisions of the 11th SED Congress and of the 27th CPSU Congress.

They accorded particular attention to issues of collaboration between the two states in mastering scientific-technological progress, above all in the development of key technologies.

We are following with great interest and fraternal solidarity the CPSU's efforts toward the practical implementation of the restructuring plan introduced by the 27th CPSU Congress in the Soviet Union, aimed at improving the living conditions of the Soviet people, further strengthening socialism, and constantly increasing socialism's authority in the international arena in favor of peace. Together with the Soviet Union and countless people all over the world, we are celebrating the 70th anniversary of the Great October Socialist Revolution.

As stated in the Politburo decision of December 1986, this historic event is fully acknowledged as a world turning point, as the start of the rise of the Soviet Union, under the leadership of the party of Lenin, to be a first-class world power. The "Week of German-Soviet Friendship" was held as a climax enjoying mass support, in which "Festivals of Friendship" were organized in all kreise as well as in many cities and communities, enterprises and schools. The multifaceted and concentrated activities in our country showed that all members and candidates of our revolutionary militant alliance, and that the GDR citizens daily prove, in word and deed, how they are fulfilling the duty in strengthening world socialism and securing peace, true to the ideals of the Great October and in realizing the decision of the 11th SED Congress.

In the friendly talk between Comrade Erich Honecker and Eduard Shevardnadze in the GDR in early February, it was noted with satisfaction that the resolutions of the 11th SED Congress and the 27th CPSU Congress are exerting a decisive influence on all areas of our cooperation.

The comprehensive exchange of views for which Comrade Erich Honecker received Aleksey Antonov, deputy chairman of the USSR Council of Ministers, on the occasion of the 39th GDR-USSR Joint Government Commission for Economic and Scientific-Technological Cooperation, focused on further deepening cooperation in this sphere.

In his talk with Comrade Aleksander Bessmertnykh, envoy of the general secretary of the CPSU Central Committee, who reported on the course and outcome of the talks with the U.S. Secretary of State in Moscow, Comrade Erich Honecker fully endorsed the Soviet proposals on key issues concerning arms control and disarmament.

In May Comrade Erich Honecker received Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact nations. They discussed topical questions concerning the military-political situation and the tasks in protecting socialism.

The visits to the GDR by Gennadiy Vedernikov, deputy chairman of the USSR Council of Ministers, by the minister of internal affairs, the foreign trade minister, and the minister of culture, as well as the high-ranking GDR delegation's visits to the USSR reflected the efforts to lend fresh and dynamic impulses to the multifaceted cooperation between our fraternal states.

Comrades, in the period under review, collaboration with all other socialist states was strengthened.

After the official friendship visit of Comrade Erich Honecker to the PRC in October 1986, by which a new stage in our relations was introduced, our party, our socialist state, and the people of the GDR a few days ago accorded a warm welcome to Comrade Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the PRC State Council.

As in Beijing, the talks in the GDR's capital Berlin were also conducted in an atmosphere of friendship, mutual respect, understanding, and confidence. The detailed exchange of views between the representatives of our parties and states focused on the basic questions of our time, the comprehensive strengthening of socialism, the safeguarding of world peace, as well as the further deepening of bilateral relations in all spheres of social life. In agreement, Erich Honecker and Zhao Ziyang stressed that only in peace could the two socialist states realize their historic task of constructing socialism, and that in the nuclear era the struggle for peace is and must remain the primary task of every state's foreign policy.

The visit turned out to be an intensive and fruitful exchange of information and experience on socialist construction in the GDR and in the PRC, and met with great attention in world public opinion. The Chinese comrades were briefed in detail on the practical achievements of our people in building socialism and on the experiences in implementing the resolutions of the 11th Party Congress in various spheres of society, above all in the economy, science, technology, public education, and culture.

It was stated with great satisfaction that all preconditions exist for the further comprehensively developing and deepening cooperation between the two parties, states, and peoples. Comrade Zhao Ziyang paid tribute to the results of socialist construction in the GDR and assessed his visit as successful and significant for deepening relations between the GDR and the PRC.

The outcome of Comrade Willi Stoph's official friendship visit to Romania in February contributed to further consolidating the ties of friendship and manifold cooperation between the two countries. During a friendly talk with Comrade Nicolae Ceausescu, it was stressed that cooperation between the SED and the RCP, between the GDR and the Socialist Republic of Romania has reached a very high level and is further expanding.

The meeting between Comrade Guenther Kleiber and Comrade Fidel Castro, first secretary of the Central Committee of the Cuban Communist Party, served the exchange of experiences between the SED and the Cuban Communist Party in further strengthening the economic power of both countries and in perfecting coperation between the fraternal countries within the framework of CEMA. Friendly meetings took place between Comrade Harry Tisch and Comrade Jambyn Batmonh, Zhao Ziyang, and Kim Il-song during visits to the Mongolian People's Republic, the PRC, and the DPRK.

Fraternal cooperation with the socialist countries in Indochina was systematically continued and deepened. This was demonstrated by the GDR minister of foreign affairs' visits to Democratic Kampuchea, the SRV, and the Lao People's Democratic Republic in March of this year.

The high-level meetings and talks with leading representatives of the SFRY reflect the successful development of bilateral relations between the two socialist countries.

Resolute Work for a Climate of Confidence and Cooperation [subhead]

Comrades, in recent months the GDR has fully placed the development of its relations with the capitalist countries within the worldwide struggle for a coalition of realism and reason in order to avert the danger of a nuclear inferno. Political dialogue with all forces of these states that are serious about peace includes agreement that the policy of peaceful coexistence is the only viable way to make the world more safe.

In December 1986 Comrade Erich Honecker, in a message to Italian Prime Minister Bettino Craxi, underlined the significance of European countries with differing sociopolitical orientations that are actively working to establish political dialogue as an instrument for achieving greater confidence and stability. In January 1987 Japanese Prime Minister Yasuhiro Nakasone paid an official visit to the GDR. In the talks he agreed with Comrade Erich Honecker that everything has to be done to preserve world peace. It was underlined that political dialogue can make an essential contribution to banishing the danger of a nuclear war.

The official state visit paid by Comrade Erich Honecker to the Kingdom of the Netherlands in early June was characterized by the striving to utilize opportunities which had become more favorable for the effective reduction of tension in Europe. In his talks with Queen Beatrix, Prime Minister Lubbers, and other officials, the chairman of the GDR State Council explained the socialist European policy reaffirmed at the Berlin summit. During the visit, which introduced a new phase in bilateral relations, important agreements were reached which include both trusting dialogue and the extension of economic cooperation.

During the exchange of opinions, which was characterized by openness, constructiveness, predictability, and mutual understanding, agreement was reached with regard to the elimination of U.S. and Soviet medium-range missiles in Europe and concerning the necessity of entering into negotiations on drastically reducing of conventional armed forces and weapons. Both sides deemed the continuation of the CSCE process indispensable for safeguarding peace and creating more confidence, more security, and good-neighborly cooperation in Europe.

In public opinion in the Netherlands, the GDR's policy of dialogue and Comrade Erich Honecker's active work to realize it, as well as his courageous antifascist struggle met with emphatic, demonstrative acknowledgement. The Politburo assessed the talks as extraordinarily significant for the further development on our continent.

During the period under review, there was an opportunity to brief numerous official representatives from other West European and other states on the peace policy and successful social development of the GDR. In the talks that Comrades Willi Stoph and Horst Sindermann had with the president of the House of Representatives of the Republic of Cyprus, and in Hermann Axen's discussions with the Greek Prime Minister, there was agreement with regard to essential questions of safeguarding peace and disarmament. Talks with leading representatives from Japan and Austria during the visit by People's Chamber delegations headed by Horst Sindermann served to deepen bilateral relations. During official visits to Belgium, Luxemburg, and France, as well as in discussions with the Canadian Minister of External Affairs who visited the GDR in May, Comrade Oskar Fischer spoke about the initiatives and the contribution of the GDR to reducing military confrontation and to building confidence in Europe.

At the 41st UN General Assembly, which was largely dominated by questions of disarmament and arms limitation, the GDR also made an active contribution through the resolutions it presented or of which it was co-author.

During UN Secretary General Perez de Cuellar's official visit to the GDR the chairman of the GDR State Council reported on the ways to strengthen European and international security shown in the resolutions adopted by the Warsaw Pact Berlin meeting. [paragraph continues]

The interlocutors agreed that opportunities for realistic disarmament results have increased and must not be wasted. Only by reducing weapons can peace be established on a stable and lasting foundation. In all his talks, the UN secretary general paid tribute to the GDR's peace policy, to its active and constructive work in the United Nations, and he wished the people of the GDR further successes in their peaceful reconstruction work. The visit will lend fresh impetus to cooperation between the GDR and the United Nations.

Comrades, the great political and cultural events to mark the 750th anniversary of Berlin are meeting with a great worldwide echo, which testifies to the broad international approval of the policy of dialogue and understanding that comes from the socialist German state of peace and from its capital. The great construction work which has been accomplished in Berlin by all bezirke of the GDR, including the Berliners, has earned great respect. Our capital has become a worthy representative of the GDR in the national and international arena. It is truly a city of peace and socialism.

The international meeting of mayors held in Berlin from 1-5 June under the motto "Politics for Peace and the Well-Being of the People," turned out to be a representative, cosmopolitan forum on joint responsibility for the preservation of peace, and an intensive exchange of local government experience. This gathering was attended by representatives from 168 cities in 83 countries, as well as from the World Federation of Twin Towns and the Organization of Arab Towns. The communal politicians from all over the world were welcomed by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, on the occasion of Berlin's 750th anniversary. The representatives of the capitals conveyed greetings from their heads of state.

Comrades, the SED assumes that peace in our time is indivisible. We note with satisfaction that the states of Asia, Africa, and Latin America, in awareness of their fundamental national interests, are ever more resolutely supporting the averting of the dangers of nuclear war. They are for an end to the arms race on earth and for preventing it in space, for the consolidation of international security, and for a climate of trust and cooperation between states and peoples.

The GDR's support for the settlement of global and regional problems meets with acknowledgement in the nonaligned states. Great respect was also expressed in personal messages to the chairman of the GDR State Council from Argentine President Raul Alfonsin and Swedish Prime Minister Ingvar Carlsson, in which they express thanks for the GDR's consistent support of the Six-Nation Initiative for peace and disarmament.

Comrades, the neoglobalist policy of imperialism, which is characterized by threats, interference, use of force, and the fomenting of regional conflicts, today no longer threatens only those countries that are directly affected but whole regions and world peace in general. This is becoming increasingly clear in South Africa, in the Middle East, and in Central America.

The actions of the apartheid regime in the Republic of South Africa, which are hostile to human rights and contrary to international law, are increasingly proving to be the main obstacle to the peaceful and successful development of the peoples in southern Africa. The GDR supports with solidarity the independent states of this region and of the ANC [African National Congress] and SWAPO [Southwest Africa People's Organization] in their struggle for peace and social progress, for the abolition of apartheid, for the establishment of a unified democratic and non-racist South Africa, and for the independence of Namibia. [paragraph continues]

This standpoint was underlined by Comrade Erich Honecker in his meeting with a high-ranking delegation from the six frontline states of southern Africa, which began its first mission in the GDR in April.

One of the crucial problems in the world continues to be the conflict in the Middle East, caused by U.S. imperialism and its "strategic ally" in the region, Israel. The GDR strongly supports a comprehensive and just peace settlement in the Middle East, which includes the realization of the national rights of the Palestinian people. It considers a suitable process toward this to be the holding of an international conference on the Middle East, as proposed by the Soviet Union, under the auspices of the UN and with the equal participation of the PLO and all other interested sides.

International, regional, and bilateral problems were discussed during Comrade Heinz Kessler's meeting with President al-Asad during his visit to the Syrian Arab Republic and with the President of the Republic of Cyprus, Kyprianou, and during Comrade Oskar Fischer's official visits to Sri Lanka and Indonesia. Horst Dohlus' official visits to Ethiopia, his exchange of views with Mengistu Haile Mariam and with Berhanu Bayih, Ethiopian minister of foreign affairs, in the GDR in late April offered opportunity to continue the exchange of ideas on international issues and to further deepen the relations between the two states. Both sides were in agreement that regional hotbeds of tension and conflict, such as in the Horn of Africa, pose a threat to the peaceful coexistence of peoples and to world peace, and that in any case a political solution must be found.

Development of Cooperation Between Communist and Workers Parties [subhead]

Comrades, the Politburo paid great attention to cooperation with the fraternal parties of the socialist countries on the basis of the principles of Marxism-Leninism. Equality, independence, and self-reliance, responsibility of the parties vis-a-vis their own people, mutual support, and careful consideration of the other's interests form the decisive basis for harmoniously shaping fraternal cooperation between the parties.

The exchange of information and ideas between the SED and CPSU was particularly lively. During the friendly meetings with the secretaries of the CPSU Central Committee, Viktor Nikonov in November 1986 and Anatoliy Dobrynin in January, and Vadim Medvedev in May, Comrade Erich Honecker stressed that the agreement of both parties in basic issues concerning socialist construction finds expression in the close cooperation between the SED and the CPSU.

Talks on how cooperation between the two parties can be made still more efficient and dynamic were held by Comrades Werner Felfe, Guenther Kleiber, Erich Mueckenberger, and Harry Tisch in Moscow. In the period under review, the SED sent ten delegations to the Soviet Union and received seven CPSU delegations. In this way the exchange of experiences was continued to the mutual advantage of both sides.

On the basis of long-term agreements, delegations and experiences were exchanged between the fraternal parties of the other socialist countries. A total of 34 delegations were exchanged. In the talks which Comrades Hermann Axen, Horst Dohlus, Werner Felfe, Kurt Hager, Guenter Mittag, Erich Mueckenberger, and Guenter Schabowski held with leading PZPR, CPCZ, BCP, MSZMP, and LCY comrades there was discussion on how the new demands in socialist construction can be met and how peace can be strengthened through closer cooperation between the fraternal parties. A delegation headed by Comrade Werner Krolikowski took part in the Sixth Congress of the Communist Party of Vietnam and conveyed militant solidarity greetings from the GDR's communists.

The SED participated actively in the multilateral talks held by the fraternal parties from socialist countries. Comrades Kurt Hager and Hermann Axen took part in the Warsaw talks of secretaries for ideological and international questions from the Central Committees of communist and workers parties of socialist countries. Comrade Werner Felfe led the SED delegation at the Moscow meeting of secretaries for questions concerning agricultural policy, and Comrade Horst Dohlus represented the SED at the Bucharest meeting of secretaries for party and organization questions.

Comrades, in the interest of strengthening the joint struggle aimed at consolidating peace and security in Europe, Erich Honecker addressed personal letters to the chairmen or general secretaries of communist and workers parties of the capitalist countries in Europe, of the socialist and social-democratic parties in Western Europe, and to Willi Brandt, the representative of the Socialist International. He informed them about his letter to the FGR chancellor suggesting the start of negotiations on creating a nuclear-free corridor, and asked for active support for these initiatives.

In the reactions of the leading representatives of these parties, the GDR and CSSR proposal to set up a nuclear-free corridor was assessed as an efficient initiative to reduce confrontation and to enhance the disarmament process.

Erich Honecker's talks with leading representatives of the fraternal parties were of particular significance for the development of relations with the communist and workers parties of capitalist countries. These include his friendly meeting with Gerardo Iglesias, general secretary of the Spanish Communist Party. This was the first official visit by a general secretary of the Spanish Communist Party in more than 12 years. It introduced a new phase in relations between our parties. Comrade Erich Honecker had a cordial discussion with Harilaos Florakis, general secretary of the Greek Communist Party. The constructive, trusting exchange of views took place in a spirit of complete agreement on all basic issues discussed and forms a good basis for the further deepening of cooperation between the two parties.

The friendly relations between the SED and the Italian Communist Party were highlighted by the visit of Alessandro Natta, general secretary of the Italian Communist Party. In his talks with Comrade Erich Honecker, the far-reaching agreement between the two parties became obvious in assessing the international situation, in the joint commitment to disarmament, detente, and cooperation, and this is a good basis for increased cooperation between the SED and the Italian Communist Party.

During his state visit to the Netherlands, Comrade Erich Honecker had a friendly exchange of ideas with Elli Izeboud, chairwoman of the Communist Party of the Netherlands. The sending of SED Central Committee delegations to the party congresses of fraternal parties contributed to deepening the ties between parties. A delegation headed by Margarete Mueller took part in the 16th Congress of the Restorative Party of the Working People of Cyprus. Werner Eberlein conveyed militant greetings from our party to the 26th Congress of the Austrian Communist Party. Inge Lange led the delegation that took part in the 28th Congress of the Greek Communist Party. Werner Jarowinsky led the delegation of our party that took part in the 21st Congress of the Finnish Communist Party. The Eighth SED Congress was attended by a delegation headed by Alfred Neumann. SED delegations also took part in the congresses of the Swiss Labor Party, the Norwegian Communist Party, the Communist Party of the Peoples of Spain, and the Finnish Communist Party.

Comrades, firm solidarity with the struggle of the peoples of Asia, Africa, and Latin America for national and social liberation marks the development of the SED's relations with parties and movements in these countries. The meeting between Joe Slovo, general secretary of the South African Communist Party, and the general secretary of the SED Central Committee turned into a manifestation of fraternal solidarity for the South African Communist Party. Comrade Erich Honecker confirmed that the SED and GDR stand firmly at the side of the South African Communist Party and all South African patriots united in the liberation alliance under the leadership of the African National Congress in the struggle for an antiracist, unified, democratic, and peace-loving South Africa.

The talks held by Comrades Guenther Kleiber in Mozambique and Gerhard Mueller in Algeria contributed to strengthening the friendly relations between our party and the Mozambique Liberation Front and the National Liberation Front of Algeria. At the invitation of the SED Central Committee, a delegation of the Iraqi Communist Party headed by Aziz Muhammad, first secretary of the Central Committee, and a delegation of the Sudanese Communist Party, led by Muhammad Ibrahim Nugud, first secretary of the Central Committee, visited the GDR.

For decades we have been following with great sympathy and active solidarity the struggle of the Palestinian people to solve its vital problems. This was also expressed by the participation of the GDR delegation in the 18th Meeting of the Palestinian National Council that recently took place in Algiers. The SED welcomes the outcome of this meeting which has created favorable conditions for closer cooperation between all patriotic and democratic forces of the region in the struggle for a comprehensive, lasting, and just settlement of the Middle East conflict.

Our party also supports all initiatives in Central America which lead to a just political settlement of existing disputes in the interest of the people. We reaffirm our active solidarity with the steadfast people of Nicaragua and with the struggle of all other countries and peoples for sovereignty, self-determination, and social progress.

We support with solidarity Comrade Clodomiro Almeyda, general secretary of the Socialist Party of Chile, whose courageous return to his home country has initiated a new offensive in the struggle of Chile's antifascist forces to restore democratic rights and liberties.

The SED received 18 delegations of communist and revolutionary-democratic parties, and of libertation movements from developing countries. Our party dispatched 12 delegations to these parties and movements. SED delegations took part in the congresses of the Lebanese Communist Party, the Communist Party of Sri Lanka, the United Socialist Party of Mexico, the Communist Party of Bangladesh, and the Peruvian Communist Party.

The SED has effectively contributed to strengthening the forces of reason and realism by expanding dialogue with socialist and social-democratic parties. During his state visit to the Netherlands, the SED Central Committee general secretary met with leading representatives of the Workers Party, Wim Kok and Mariane Sint. Comrade Erich Honecker and his Netherlands interlocutors stressed that in the present aggravated situation in particular it is of great importance to promote confidence and detente.

There was also agreement on this in the talks which Comrade Hermann Axen held with Felipe Gonzales, general secretary of the Spanish Socialist Workers Party, and which Erich Mueckenberger had with leading representatives of the Finnish Social-Democratic Party. Questions concerning safeguarding peace, the political settlement of regional conflicts, as well as the Latin American countries' struggle to strengthen their sovereignty against imperialist interference and the debt burden were at the center of Comrade Egon Krenz's discussion with Guillermo Manuel Ungo, president of the Revolutionary Democratic Front of El Salvador and vice president of the Socialist International. Reymond Becker, general secretary of the Socialist Workers Party of Luxembourg, was received for a talk in the Central Committee.

SED delegations took part in congresses of the French Socialist Party and the Italian Socialist Party. A delegation of the Belgian Christian People's Party, headed by its chairman Frank Swaelen, visited the GDR at the invitation of the SED Central Committee and held talks with Comrades Horst Sindermann and Hermann Axen, during which far-reaching agreement and similar positions with regard to basic questions of peace and disarmament were reached.

On Relations Between the GDR and the FRG [subhead]

Comrades: Our policy, directed at preserving and safeguarding peace, is also the determining factor in shaping the GDR's relations with the FRG. It is in this spirit that Erich Honecker and the other party and state leaders purposefully conducted the political dialogue with responsible political forces in the FRG, both in the governing coalition and in the opposition. If initiatives for a lasting peace in Europe emanate from German soil and if the two German sides are guided by principles of peaceful coexistence in their relations with one another, then further progress is possible in other spheres of bilateral relations, too. It was agreed to take further steps to deepen cooperation between the GDR and the FRG in various specialist areas. It is obvious that mutual respect for sovereignty and equality is the condition for constructive cooperation.

One can only hope that the FRG Federal Chancellor stands by his Government statement of 18 March 1987, that the FRG is striving for an active and worldwide peace policy, and is working for a good climate in relations with the GDR. The FRG Government's approval of a double-zero option is undoubtedly a step in the right direction.

In view of the continuing resistance to the complete elimination of medium-range nuclear missiles in Europe on the part of certain circles within the CDU/CSU, it must now be assumed that the FRG will completely give up its braking role and dubious stance in the disarmament dialogue and will actively support the prospects for a breakthrough in real disarmament. Repeated linkages and demands concerning a double-zero option delay and endanger an agreement on reducing nuclear missiles in Europe. They contradict the vital interests of their own people and are contrary to the opinion of the majority of the FRG's population.

In the talks with Comrade Erich Honecker held with Martin Bangemann, FDP chairman and FRG economics minister, and Wolfgang Mischnik, chairman of the FDP group in the FRG Bundestag, the contribution of the two German states to improving the political climate in Europe was discussed. This aim is also served by the FDP's positive stance on the double-zero option regarding medium-range missiles.

The meeting between Comrade Erich Honecker and Hans Jochen-Vogel, chairman of the SPD Bundestag group -- who has meanwhile been elected SPD chairman -- proceeded in the spirit of agreement between the SED and SPD on issues of preserving peace, avoiding a nuclear inferno, and returning to permanent detente. It was stressed that freeing Europe from nuclear weapons is a vital and realistic goal. As for possibilities of deepening cooperation between the GDR and FRG, there was agreement that realism and reason are needed here, too.

The SPD's position on the Elbe frontier, on dismantling the so-called Salzgitter registration office, and on respect for GDR citizenship are timely, as is the support of the SPD group in the FRG Bundestag for establishing diplomatic relations between the Bundestag and the GDR People's Chamber.

Comrade Erich Honecker's meeting with Saarland Prime Minister Oskar Lafontaine proceeded in an open and constructive atmosphere. A series of concrete agreements will help to further deepen existing productive relations between the GDR and Saarland. The exchange of views was continued by Comrade Joachim Herrmann, who was in the Saarland at the invitation of Oskar Lafontaine.

Also of great importance were Comrade Erich Honecker's meetings with the premiers of other FRG states, for example Bernhard Vogel of Rhineland Palatinate, Lothar Spaeth of Baden-Wuertemberg, Franz Josef Strauss of Bavaria, and Klaus von Dohnanyi of Hamburg. It was noted in agreement that the further deepening of relations between their federal states and the GDR is in the interest of good-neighborliness and detente in Europe, and is thus being promoted on both sides. In this, the further expansion of trade, the deepening of economic cooperation, and the extension of cultural exchanges are important.

Comrade Guenter Mittag met with leading politicians and with economic representatives during the Leipzig Fair and in Hannover and Bonn, where he was also received by Federal Chancellor Helmut Kohl. Official talks were conducted in the GDR by delegations from the FDGB and the DGB, led by their chairmen Harry Tisch and Ernst Breit. All in all, numerous talks with politicians from the most diverse parties and organizations of the FRG demonstrated the GDR's desire to contribute actively to peace preservation through political dialogue.

Comrades, we do not, of course, disregard the fact that certain circles in the FRG continue to adhere to old ideas which have already twice plunged the world into terrible wars, which would like to sweep aside -- in contravention of the European system of treaties -- the territorial order created as a result of World War II and postwar development.

Their recent attempt to link disarmament policy steps with a debate on "reunification" is inappropriate and puts possible advances in relations between the GDR and FRG into question. The remarks by Federal Chancellor Kohl, who once again repeated nationalist positions hostile to the GDR, should also be seen in this light. Typical of this is the fact that in a letter to the revanchist Landsmannschaften -- "with Reagan's outstanding proposals," as he put it, "still fresh in my mind" -- the FRG chancellor stressed that the "CDU is again making the tackling of the division of Germany a central theme of its policy."

If the present Federal Government regards this as its task, then it is difficult to understand how it proposes to bring about an improvement in relations with the GDR and with the other socialist states. The GDR has always given an appropriate response to unrealistic ambitions of this nature, and it will not allow them any space in the future.

No FRG politician who wants to be taken seriously can get around the results that emerged after World War II. Two sovereign, independent states exist in the heart of Europe. The inviolability of borders and respect for the territorial integrity and sovereignty of all states in Europe within their present borders are, as Comrade Erich Honecker and Federal Chancellor Kohl said in their joint statement on 12 March 1985, a fundamental condition for peace.

Comrades, the clearly provocative nature of the U.S. President's visit to West Berlin also characterized his official meetings with FRG President von Weizsaecker, with Federal Chancellor Kohl, and with Bundestag President Jenninger, which, as is known, constitutes a gross violation of the conditions of the guadripartite agreement on West Berlin, according to which West Berlin does not belong to the Federal Republic and must not be governed by it.

At Comrade Erich Honecker's meeting with Eberhard Diepgen, governing mayor of West Berlin, on the sidelines of the Leipzig Spring Fair, it was stressed that, with strict adherence to the quadripartite agreement of 1971, relations between the GDR and West Berlin can be shaped positively. However, the opportunity for this, which was presented in view of Berlin's 750th anniversary celebrations, was not used. On the contrary, the slanderous and aggressive speeches against the GDR and its citizens, dominated by the demons of the cold war and the presumption of presenting West Berlin as a part of the FRG, violated the spirit and letter of that agreement, on which basis alone further progress in relations could be possible.

The GDR has reacted appropriately and moderately to the provocations. We expect the West Berlin Senate to also do its part to use the opportunities for closer fruitful cooperation which is capable of expansion, between West Berlin and its surrounding area, the GDR.

Comrades, the extensive foreign policy activities in the period under review, which also found expression in the documents presented to the Central Committee, justify the statement that the Politburo is doing everything to ensure favorable external conditions for further shaping the developed socialist society in the GDR.

II. The Economic Strategy Decided by the 11th SED Congress Is Being Successfully Implemented [chapter head]

Comrades, in the economic sphere the Politburo's and the SED Central Committee's activities were also characterized by the successful implementation of the resolutions of the 11th SED Congress. All the necessary measures have been taken to continue to advance well in the main battlefield, the unity of economic and social policy as the core of the economic strategy. In this context the resolutions of the Third Central Committee Session and Comrade Erich Honecker's speech before the first secretaries of the kreis leaderships were and are of particular significance.

The 11th FDGB Congress, the most comprehensive class organization of the workers class and the largest mass organization of the working people in our socialist society, was an important event in the political life in our country. The SED Central Committee general secretary's decisive speech on the trade unions' role in further shaping the developed socialist society in the GDR was greeted with enthusiasm.

The following was confirmed once more: There is no strong socialism without strong trade unions. With its resolutions, the 11th FDGB Congress demonstrated the close militant partnership between FDGB and SED and the determination to make the resolutions of the 11th SED Congress the yardstick of its own work.

Completely in the spirit of the unity of economic and social policy, the important 11th FDGB Congress provided a significant impetus for ensuring that every trade union member will always do justice to his responsibility for the all-round strengthening of the GDR. Primarily this implies vigorously continuing socialist competition under the tested motto "High Performances for the Well-Being of the People and for Peace — All for the Implementation of the Resolutions of the 11th SED Congress!" with the aim of daily accomplishing product-related performances to overfulfill the 1987 plan targets so as to obtain a distributable final product.

In order to achieve this one must strive for a rapid increase in labor productivity, efficiency, and quality. In this connection, one of the main tasks is to quickly increase the quantity and value of the products of the state plan positions, which are decisive for the dynamic growth of our national economy, on the basis of the plan targets and pledges.

In thousands of letters to the Central Committee and its general secretary, Comrade Erich Honecker, working people and party, trade union, and youth collectives have presented their positions and plans for the further implementation of the decisions of the 11th SED Congress. In terms of quality they are so far unique in the long history of socialist competition.

Outstanding initiatives emanated from the seminar held by the Central Committee with the directors of the combines and party organizers of the Central Committee. Evidence of this is provided by the commitments undertaken in the name of over 3 million working people from combines in industry, the construction sector, transportation, and communications to reach additional production worth M2.2 million in important products for the national economy in 1987.

The outstanding activities include the pledges of 51 heroes of labor who, with their collectives, on the occasion of World Peace Day want to achieve the highest daily performance so far in the fulfillment and product-related overfulfillment of the 1987 National Economic Plan.

Impressive Record in Fulfilling the 1987 National Economic Plan [subhead]

Comrades, in the period under review, the Politburo regularly dealt with the implementation of the tasks of the national economic plan. The Council of Ministers was instructed to see to the realization of the measures decided upon.

National production income rose 3 percent by the end of May. In view of the extreme weather conditions in the first months of this year and the considerable expenditure in production input related to them, this is a high performance. The decisive contribution to this national economic growth was produced by industry. With a plan fulfillment of 101.5 percent, net production rose by 6.3 percent. The plan lead in industrial goods production amounted to M790 million.

The increase in labor productivity reached 6.8 percent. The faster rate of increase in labor productivity in comparison with production growth, which began in 1986, is thus being continued. In 115 centrally- and bezirk-administered combines, production growth comes exclusively from increased labor productivity. This is convincing evidence that, by means of economic strategy, we are succeeding in making comprehensive intensification a durable foundation for dynamic performance growth in the national economy. Among those combines that have fulfilled the main indicators of performance assessment through good results and achieved a high performance increase through rising labor productivity are the Riesa Pipe Combine, the Mansfeld "Wilhelm Pieck" Combine, the Teltow Electronic Components Combine, and the Karl-Marx-Stadt Household Appliances Combine.

The Politburo is in a position to report to the Central Committee that, in the race against time, everything is being done to accelerate the production and the key technologies as the basic precondition for further strengthening the power of our national economy. Evidence of this is, among other things, the 63-percent increase in the production of office, personal, and workplace computers. The production increase amounts to 44 percent with regard to monolithic integrated circuits and 75 percent with regard to special equipment for the production of active components. The rate of production growth in fiberoptic cables is also significant. The increase here amounts to 169 percent. The working people of the Dresden Robotron electronics VEB intend to produce 10,000 additional workplace computers this year with a 16-bit processing range, which is of great significance for the increase in labor productivity in the Republic.

An important contribution in the fight to lower production expenditure was again made by the "Return Funds to the State — a Contribution to National Income" initiative, under which material and financial funds worth M1,787 billion have been returned to the state since the beginning of the year by means of State Bank checks.

By the end of May, costs per M100 of goods production in industry declined by 1.3 percent. In this, it is above all a question of further increasing the economic efficiency of science, of carrying out investments in a timely way and with high efficiency, of further improving the utilization rate of production plants, and of using all possibilities of further reducing energy and material expenditure.

The construction sector fulfilled its production targets up to the end of May. Net production rose by 2.9 percent and labor productivity by 3.9 percent.

The opening of the Construction Exhibition of the GDR by Comrade Erich Honecker, general secretary of the SED Central Committee, in May of this year was an important event in the festive commemoration of Berlin's 750th anniversary. This exhibition, the most comprehensive and most convincing demonstration of performance in the construction sector so far, impressively reflects the progress that was achieved in the capital and all bezirke of our country in the construction of apartments and urban development, in industrial construction, in the building material industry, and in the construction activities in the country. It is a question of profoundly evaluating and utilizing the top performances which are shown at the exhibition, above all the application of key technologies, as well as the events taking place during the construction exhibition, in the combines and enterprises of the construction sector in order to accelerate the performance and efficiency increase.

The Politburo stresses that it remains one of the foremost concerns of our national economic and sociopolitical targets to decisively increase the efficiency and quality of construction. In keeping with the targets of the Eighth Building Conference, it is primarily a question of lowering construction expenditure by 10 percent, reducing construction times by at least 15 percent, reducing material, energy, and transportation expenditures and costs, while ensuring the solid quality of the buildings by all means. At the Ninth Architects' Congress of the GDR fresh impulses were provided with regard to this matter. The congress furnished convincing evidence that the party of the workers class can continue to rely on the responsible work of our country's architects.

Comrades, the results of our national economic development are to be valued all the more highly because the extreme weather conditions imposed a great strain on us. In this test the strength of our socialist planned economy, the power of our socialist democracy, and our party's ability to take the necessary measures at the right time under complicated conditions proved themselves again. The SED Central Committee general secretary's call to master the consequences of the unusual weather conditions through solidary actions by all social forces was followed with high performances by millions of working people, including special shifts and weekend work.

Thanks to the initiative and dedication of the citizens in the town and country, in the course of the first quarter we managed to make up for the plan arrears that had temporarily arisen. Particularly great achievements were attained by the working people in the coal and energy industry and the transportation sector, by the members of the National People's Army, the German People's Police, and the members of the Ministry of State Security.

Thus, by the end of May a plan lead of 533,000 tonnes was achieved in the production of sifted raw brown coal. Regarding natural gas, 192 million cubic meters were produced over and above the plan.

The SEC Central Committee expresses warm thanks and great respect to all working people for the great creative achievements, the unselfish commitment, and the outstanding initiatives in the struggle to fulfill the plan targets.

In the work of the Council of Ministers, of every individual minister and general manager, and of the managers in enterprises and institutions of the party organizations it is now of great importance to lead the struggle for the all-round fulfillment and pure overfulfillment of the 1987 national economic plan in all positions, in a uniform and fruitful manner.

In Accordance With the Decisions of the 11th SED Congress, the Sociopolitical Program Continues To Be Successfully Carried Out [subhead]

In keeping with the spirit of socialism, the increased efficiency of our national economy was used to systematically ensure and raise the material and cultural living standard of the people.

The housing program is being continued speedily. By the end of May, 80,153 apartments were handed over to the population, 38,809 of which were newly constructed. This is a total of 2,503 more apartments than the plan had provided for. Thus, by the end of May this year, living conditions for another 240,000 citizens were improved.

Great efforts were made to hand over the concomitant social facilities along with the homes on time and in accordance with local requirements. With the handover of 5,932 kindergarten places and 2,182 places in nurseries, 471 places in old people's homes and care homes, 523 classrooms in general schools, 131 workplaces for out-patient medical treatment, and 580 places in youth clubs, the proportional targets set in the 1987 National Economic plan were fulfilled and partially overfulfilled at the end of May. All this contributed to the fact that the level reached in care for the young and the old, which has caught up with international standards, was further raised.

Considerable progress was also achieved in preserving valuable building stock in the first 5 months. For instance, the roof repair program covering the 1984-87 period has now been 90-percent implemented. Performance comparison shows yet another distinctive feature. In 51 kreise shortfalls in the repair of apartment blocks totaling M15.2 million have been permitted. Particularly in some city bezirke in the capital of Berlin and in the towns of Leipzig and Halle, efforts are to be stepped up to repair roofs and chimneys.

The Politburo decided on further measures for the most effective implementation -- from an economic and social policy point of view -- of the housing program in its unity of new construction, modernization, and preservation of the building stock for the 1986-90 period. Fundamentally, it is a question of concentrating the great but not unlimited resources we use for housing construction on those tasks which serve the creation of good living conditions for all citizens, in order to solve the housing issue as a social problem in a responsible manner by 1990.

During Comrade Erich Honecker's visit to Schwerin, the citizens thanked him for the party's purposeful policy aimed at the well-being of the people. They reported with pride how Schwerin had turned into a modern socialist city since the eighth party congress, where new buildings are being contructed, while at the same time historically valuable buildings are being preserved.

In accordance with the 11th party congress decisions, the activities designed to make the capital of Berlin the political, economic, and cultural center of the GDR were purposefully continued with the force of the entire Republic. Berlin's construction workers, together with the more than 20,000 working people from the construction sector and other branches of the national economy from all bezirke, are successfully realizing the set tasks.

After the large, new Berlin-Marzahn City Bezirk, which is nearing its completion, speedy progress is ensured in Berlin-Hohenschoenhausen and Berlin-Hellersdorf. There are plans to create complete residential areas with 21,000 and 17,000 apartments respectively, including the concomitant social facilities. In a ceremony a few weeks ago Comrade Erich Honecker handed over the renovated Nikolai Church, the landmark of Berlin's history in the middle of the Nikolai district, to the public as a museum. Exemplary work is also being carried out in Wilhelm-Pieck-Strasse, in Bersarinplatz, in the Frankfurt and Stralauer Allee, and in Kietzer Feld in Koepenick. The differing styles of the construction workers in various bezirke are creating a favorable diversity in the town's face. The Zeiss Planetarium in Ernst Thaelmann Park, the Grandhotel in Friedrichstrasse, the first construction phase of the future main railroad station, and many other projects are also nearing completion.

At the same time it must not be disregarded that, in keeping with Berlin's role as the largest industrial town in the GDR, significant investment projects -- above all in the spheres of electrical engineering and electronics, machine tools and processing machinery construction, and in consumer goods industry -- were realized, and municipal technical equipment was further developed in a purposeful manner.

In the "FDJ Berlin Initiative" the youth of our country made an important contribution to the successful implementation of the construction tasks in our capital. In the future they must also be vigorously supported by all parties and state organs.

Comrades, in continuation of the proven course of the unity of economic and social policy, a 4-percent increase in workers' incomes was made possible on the basis of increasing performance in production. The population's supply of basic foodstuffs was guaranteed in a stable fashion. Finished products for the population to the tune of M38.5 billion at retail prices were supplied by production enterprises of all sectors. This is M851 million more than the plan provided for.

In March the Politburo accepted and confirmed notification from the Council of Ministers on measures that have been initiated with regard to improving the supply of children's shoes and clothes. Fundamentally, it is a matter of efficiently supporting the pledges undertaken by the combines concerning product-related overfulfillment of the 1987 plan by 3.5 million pairs of children's shoes and 2 million children's anoraks. The main way to achieve this is the most efficient, multishift utilization of existing facilities and the further rationalization of the production process. For this, concrete measures will be decided upon together with the bezirke.

Comrades, the Politburo stresses that in all combines and enterprises the most important task is and remains, day by day, week by week, month by month, to reliably ensure the total completion of the planned and balanced products, production to match needs in terms of quantity, value, and quality, and the complete fulfillment of all contracts concluded.

To a particular extent this is true of the all-round fulfillment of planned tasks concerning the production of new consumer goods, including quickly making up for existing delivery shortfalls. It is now a matter of further applying the results achieved so far through the broad application of key technologies. In this we do not overlook the fact that even greater efforts are required, in order to guarantee, by means of more rapid implementation of new scientific-technological solutions, without delay, and in the broadest measure, production to meet needs for products which correspond to the wishes of the purchasers, and which prove themselves on the market. This is a task for the entire national economy, for every combine, and every enterprise. At the same time it is necessary to be completely aware of the regional responsibility.

The stable development of services and repairs for the population continued. The increase compared to the previous year amounts to 4 percent. Thus, it was possible to better satisfy the population's increased needs. The population's increasing demands are to be met in an improved manner by further expanding capacities, by starting new services, and speedily improving aftersales services in the state-owned service enterprises, as well as in cooperative and private trade enterprises.

The consistent application of the socialist performance principle is an integral part of our economic and social policy. In close cooperation with the FDGB, bonus payments came into effect this year for more than 600,000 additional workers. In this way our party is continuing the proven way of directing the individual's material interest toward high productivity and labor efficiency. Inseparably connected with far-reaching support for families, care for mother and child, support for families with many children, and for young married couples, a new measure to improve the standard of living was realized last month with the significant increase of state child allowances. There is thus a perceptible decrease in the difference in the per capita incomes of households with children. Over M2 billion are spent annually on the increase in child allowances.

Everywhere in our country there was great pleasure over the 11th FDGB Congress proposal to extend annual leave by 1 week for working women from their 55th year, and that of working men from their 60th year, as of 1988. This is also true of the further increase in old-age pensions in the 49th year of the GDR's existence. More than 3 million pensioners will share in this. The magnitude of this important measure becomes clear from the mere fact that M2.3 million is being made available annually from the state budget. Meanwhile, responsible state organs are entrusted with working out the necessary legal regulations in collaboration with the FDGB.

On Increasing the Economic Efficiency of Science and Technology for the Dynamic Growth of the National Economy [subhead]

Comrades, in implementing the economic strategy with a view to the year 2000, the basic task of linking the advantages of socialism ever more efficiently with the achievements of the scientific-technological revolution was of decisive importance in the Politburo's work. Steps were taken to accelerate the development and application of key technologies, to continue the fight for international top positions so as to keep up with the dynamics of the development of productive forces. Remarkable results make possible science and technology's increasingly large contribution to strengthening national economic efficiency and to further advancing our country's position among international top performers. New developments such as the universal P 8000 programming and develoment program for the creation of high-efficiency software for microprocessors, a microelectronically controlled production center for the automatic processing of prismatic parts, or the new automatic grinding machine for the flexible manufacture of high-precision roller bearing rings, met with special interest from foreign customers at the Leipzig Spring Fair and made possible high foreign currency yields.

The exhibition "Science and Production of the GDR in the Service of the People," opened by Comrade Erich Honecker last month in Berlin's Werner-Seelenbinder-Hall, is an impressive demonstration of how the development of modern key technologies is being accelerated and used with high economic output. At this attractive display, about 1,300 representative exhibits, particularly of top performances in microelectronics and flexible automation, are demonstrating the progress in science and technology.

The Politburo can report to the Central Committee that since the start of this year considerable results have been achieved in the execution of the plans for science and technology. Thus, by end of May, 2,281 research and development results from the science and technology state plan as well as from the plans for the combines had been introduced into production. Through this alone, in the course of plan year 1987 production to the tune of M13.4 billion can be achieved with higher scientific-technological levels and with greater efficiency.

Purposeful work is being carried out to produce more quality products with higher work productivity, to accelerate the manufacture of new products, to quickly realize top performances, and to obtain good economic results in this. Combines which are systematically strengthening their own in-house production of rationalization means with regard to efficiency and scope, are acting fully in this spirit. It is a matter of purposefully developing it as the center of most modern technologies and the main supplier of the material-technological preconditions for the quick realization of new products and new methods in keeping with the demands of the renovation process. In the period under review, the Politburo decided on measures to ensure high-quality production. High quality and labor productivity, linked with lower costs, are and continue to be decisive criteria for the efficiency of scientific-technological work. Above all, special mention is to be made of the microelectronics, ship building, polygraph, household appliances, and potash combines, which so far have considerably exceeded the 1987 plan targets with the "Q" quality mark.

State managers and party organizations should always proceed from the asumption that quality demands increase dynamically in the international market and that in this question, which is so decisive for our economic strategy, no standstill or lagging behind must be tolerated. In this we attribute extraordinary significance to the growing faultless production initiative. Already today, more than 15,000 collectives in some 900 enterprises are vigorously and democratically striving for faultless production.

To reach good economic results through science and technology it is essential to develop the further education of the working people as an equivalent to initial training. It is a matter of enabling working people to master in due time the new work content, methods, and conditions that result from the application of key technologies. By consistently adhering to the decisions on the admission of school leavers to vocational training, it is to be ensured that the enterprises, cooperatives, and institutions train young skilled workers in the various branches according to plan. The expansion of the network of computers for vocational training will be continued step by step.

Comrades, the Politburo devoted special attention to the planned implementation of the completion of investments to strengthen the material-technological basis of our national economy. By the end of May, in the sectors of industry, construction, transportation, post and telecommunications, environmental protection, and water economy investments to the tune of M15.1 billion had been realized.

Measures Taken To Ensure High Increase of Performance and Efficiency From Every Mark Invested [subhead]

It is necessary to more intensively work out and enforce the most efficient solutions for the use of investments with which a high national economic benefit is quickly reached through modernization and rationalization of existing facilities. The broad application and effective use of key technologies to raise the technical and technological standard of the production process, as well as the speedy introduction of new scientific-technological results are inseparable parts of such an approach to the reproduction of basic assets.

In addition, it is important to put new facilities into service on schedule and to pursue a prudently organized struggle to start production ahead of schedule. It is part of efficient investment work to quickly achieve and overfulfill the technical-economic performance and efficiency parameters set down by the plan. Solving these tasks requires further improvement of management, planning, and the correlated balancing of investments, including their economic results.

Comrades, the Politburo has decided on the tasks for the development of agricultural machinery building up to 1990 and beyond. They are directed at developing agricultural machinery building in such a way that high rates of increase are achieved in performance development and modern technology is supplied to the GDR's agriculture and for exports. For this purpose it is necessary to achieve considerable progress with regard to the products' performance standard and with regard to the economical use of material and energy concerning machinery systems for soil cultivation, feed cereal and grain production, and transportation equipment. Furthermore, there is the task of organizing -- in line with the yardsticks set by the 11th SED Congress -- the modernization of existing agricultural technical equipment in connection with the supply of new machinery and installations as a focal point of basic asset reproduction and comprehensive intensification. This requires the utilization of all possibilities to increase the capacity, work quality, and service life of available technical equipment by installing subparts and component parts according to the latest technical standard. To this end, it is necessary to specifically develop the required facilities in agriculture and to ensure the supply of component parts, conversion kits, and subparts by the agricultural machinery building industry.

Stipulations for Stable Energy and Fuel Supply as a Result of Extreme Winter Weather [subhead]

Comrades, the Politburo has drawn basic conclusions and lessons from this winter.

The ministers and chairmen of the bezirke councils were ordered to take all measures necessary for stable production and supply within their sphere of responsibility, even under extreme weather conditions, and to increasingly utilize their own local means for this.

A priority matter in the coal and energy sector is the creation of preconditions to ensure trouble-free supplies, even during longer periods of frost. To this end, all recognized sources of trouble in brown coal enterprises are to be eliminated in line with the Politburo decision. In the future, too, sufficient stocks of solid fuels for consumers remain a basic condition for stable supplies during the winter.

Great achievements have to be accomplished in power plants in order to fulfill the modernization program with high technological discipline and in good quality. All facilities for coaling the power plant silos are to be prepared in such a way that they work without trouble, even at extreme temperatures. In order to ensure a stable supply of electricity for our country, it is necessary to put the new electricity production facilities -- in particular in the Jaenschwade large-scale brown coal power plant and in the "Bruno Leuschner" nuclear power plant, as well as the Thyrow and Zschornewitz gas turbine power plants -- into service right on schedule. This also applies to the complete reconstruction of the facilities in the Boxberg power plant. A steady supply of heating to the population, the communal sector, industry, and agriculture is also to be ensured.

In implementing the Politburo's program for the economical use of energy as the decisive source in meeting the increasing energy demand, it is now necessary to organize energy saving in all sectors of the national economy. In working out the 1988 national economic plan, in every combine and enterprise the uniform energy plan is to be developed into an effective instrument of management work in this area. This is to be linked to the uncompromising struggle against any waste of energy. Following the Zeiss workers' motto "Full production with less energy," which has met with a broad response, in all combines it is necessary to make an even greater contribution to saving electricity, gas, and other energy sources.

For the Further Deepening of Socialist Economic Integration [subhead]

Comrades, the Politburo is continuously paying attention to further deepening the economic and scientific-technological cooperation with the USSR. We note that, as a result of the agreements concluded between Comrade Erich Honecker and Mikhail Gorbachev, a new stage of cooperation has been introduced which corresponds to the requirements of comprehensive production intensification.

The depth and scope of the interlacing of our national economies are unique in the world. This is expressed by 170 government and ministerial agreements and 33 branch programs for cooperation, which are purposefully implemented. Great future-oriented projects have been started together, such as those contained in the "Long-term program for the development of cooperation between the GDR and the USSR in the areas of science, technology, and production for the period through the year 2000."

With regard to the development of direct relations between GDR enterprises and combines with their partners in the USSR, about 100 agreements were concluded within the framework of the corresponding government agreement signed in November 1986. They are directed at contributing to the increase of national income in both countries and at efficiently fulfilling the tasks agreed in the agreements and contracts. Direct relations are a firm part of our socialist planned economy. The yardstick is the international standard in science, technology, and the economy. This goal is served by the strict application of the tested CEMA pricing principles, which are oriented toward progressive technical and economic parameters.

During the period under review, purposeful work was done to achieve a high level in economic and scientific-technological cooperation on the basis of the agreements signed on the formation of joint collectives of experts from both countries, as well as on the founding of joint enterprises. The Politburo set stipulations in order to fully utilize these new forms of economic cooperation to solve tasks in comprehensive production intensification and in the development and application of top technologies.

The Politburo dealt with the state of implementation of the tasks resulting from the comprehensive program on scientific-technological progress of the CEMA member countries. It was noted that the GDR's research institutions are making a considerable contribution to jointly solving the agreed tasks in the development and application of important key technologies in all areas of the national economy. At the same time, the order was given to transfer the achieved results to production within the shortest possible period and with high efficiency.

In the interest of lasting, dynamic, and continuous development of our national economy, the Politburo paid much attention to foreign trade relations.

The 1987 Leipzig Spring Fair effectively reflected the GDR's internationally recognized position as a socially stable and economically dynamic factor, which actively promotes peaceful cooperation among states. The talks with leading representatives from 34 countries held during the traditional walkabout by Comrade Erich Honecker and other members of the party and state leadership showed the GDR's basic interest in the dynamic and smooth development of world trade under conditions of peaceful international relations that are characterized by reason and realism.

To Lead the Struggle for Product-Related Overfulfillment of the 1987 National Economic Plan and the Elaboration of a Demanding 1988 Plan as a Uniform Process [subhead]

Comrades, characterized by the active, progressive position of the successful implementation of the 11th SED Congress decisions, a comprehensive discussion on the elaboration of the 1988 national economic plan and budget has been conducted since the beginning of May. Following the tested principle "Participate in working, in planning, in governing!" this discussion is everywhere directed at contributing effectively through one's own high performance to the course of the unity of economic and social policy. Here the workers, cooperative peasants, intelligentsia, and other working people are closely linking their constructive ideas and proposals for the next plan year with conscious deeds in the struggle for product-related overfulfillment of the 1987 National Economic Plan.

In the spirit of the joint directive of the SED Central Committee Politburo, GDR Council of Ministers, and FDGB National Executive Committee on the plan discussion, at today's session the Central Committee calls on the SED bezirk and kreis leaderships and managers in the state and economy to ensure, everywhere, by means of qualified management work, that everyone can do his best to strengthen the GDR.

Based on clear-cut tasks and good organization of work, they are responsible for conscientiously taking into consideration all proposals and suggestions from the working people, as well as the recommendations submitted in trade union statements and FDJ proposals, and for using them to purposefully overfulfill the 1987 national economic plan as well as to safeguard and overfulfill the 1988 state targets.

In order to further implement the SED's economic strategy, the Politburo has decided to start work on a first draft of the 1991-95 5-year plan with interrelating economic target figures in line with the realization of tasks set out by the 11th SED Congress and the directive guidelines given by Comrade Erich Honecker. Such a basic national economic line, which has to be confirmed, guarantees that the ministers' concepts for their sectors and those of the bezirke are thoroughly processed in a timely way by the State Planning Commission and that necessary decisions on specific subjects and projects are prepared in accordance with the basic proportions of procurement and the use of national income.

Perfecting Management, Planning, and Economic Cost Accounting Through More Comprehensive Application of the Principle of Self-Financing [subhead]

Working out and discussing the 1988 plan targets must live up to the yardsticks resulting from the combines' and enterprises' increased responsibility for intensively expanded reproduction by means of implementing the principle of self-financing. Because the application of this principle has already been started in the state combines and enterprises of industry and the construction sector in the course of working out the 1988 plan, they themselves are responsible for their decisions on a considerable part of investments and, at the same time, they have to acquire the necessary financial means by themselves. The means used in the combines to increase performance must have the highest possible effect.

It is the nature of these measures -- in line with democratic centralism -- to strengthen centralized state management and planning and, at the same time, to increase the combines' own responsibility toward the national economy. [paragraph continues]

This presupposes new yardsticks for farsighted decisions by managers in the state and economy. It is necessary to achieve high labor productivity, efficiency, and quality, for which the bases for the coming years have to be created today. The Politburo has decided on appropriate steps for the comprehensive application of the self-financing principle in 17 industrial combines.

To Ensure Supply to the Population With Reliability and High Quality [subhead]

Comrades, the Politburo and the Central Committee Secretariat regularly deal with the tasks to ensure stable supplies to the population. During the first 5 months of 1987, goods for everyday consumption were reliably supplied. At the same time, the supply of industrial goods, in particular with regard to a considerable number of consumer goods in high demand, was further improved. The key question of a good supply is and remains for every consumer goods producing enterprise to fulfill its plan targets every day, absolutely and with discipline, and to fulfill the concluded contracts on the required dates and with the required ranges.

An important concern of the responsible state organs must be to shape cooperation between industry, agriculture, and trade so the entire chain from production to shop counter is organized even more efficiently and, above all, more flexibly. We support the already started method of direct, immediate cooperation between large consumer goods combines and sales departments of drugstores and other large trade installations in the interest of supply in line with demand and high national economic efficiency.

We expect the gamut of local possibilities, particularly those direct relations between local consumer goods enterprises and trade installations, to be expanded even more rapidly to bring locally produced goods directly to the shops without any further detours. This benefits the customer, the producer, and trade. In accordance with the experiences of the Torgau Kreis Leadership, the Central Committee Secrtariat has called on all kreise to ensure that supply, particularly of fresh goods, is met to an increasing degree from their own procurement, that production and processing takes places near the consumers, and that direct transportation of goods is consistently enforced.

Now it is important to direct the ideopolitical, economic, and organizational work of the central state organs and local councils toward the immediate preparation and carrying out of the seasonal supply. In particular, a reliable supply is to be ensured for vacation centers and childrens' holiday camps.

Stability and reliability of goods supply in shops up to closing time are to be ensured based on the plan, by strictly adhering to contracts, and through economic loading and unloading. Strict observance of prescribed opening times, vacation plans that are well coordinated between local trade installations, securing the necessary staff, a friendly atmosphere for customers in shops, and decent working conditions for trade employees are decisive items for successfully mastering the high demands.

Our tested policy of broad development of all forces and initiatives to benefit our citizens includes developing private trade and catering trade. At present, the 14,400 private tradesmen and 11,000 private innkeepers are making an important contribution to the good and varied supply to our citizens in line with demand. Our cities and villages, our markets, and shopping centers cannot be imagined without them. [paragraph continues]

We have to note that, on the basis of the decided promotional measures, responsible local state organs have given increasing importance to developing private trade and private crafts in many places, and over the past few years trade licenses have been issued in larger numbers. In the future, too, local councils are to promote such initiatives and support them without reservations in the interest of tapping all regional reserves.

Further Stable and Dynamic Development of Agriculture, Forestry, and Foodstuffs Industry [subhead]

Comrades, the 13th GDR Peasants Congress in Schwerin, whose preparation the Politburo repeatedly discussed, was an important social event. It determined -- on a long-term basis -- the paths of further implementing the decisions of the 11th SED Congress with regard to agriculture, forestry, and the foodstuffs industry. The closing speech by Comrade Erich Honecker, which was received with widespread approval, gives a clear orientation toward the continuous implementation of the party's agricultural and alliance policy and strong incentives to the struggle for high yields in the fields and increasing performances in the animal sheds.

Among cooperative peasants and workers in agriculture, forestry, and the foodstuffs industry there has never been greater commitment than at present to strengthen our worker-peasant power and preserve peace. This is a strong motive for good work to attain the more intensive application of scientific knowledge and advanced experiences. The year 1987 is to be made the year of the highest performances. The Central Committee expects party organizations to conscientiously promote all initiatives directed toward this, to struggle with great emphasis to fulfill the competition pledges, to account for them exactly, and to honor people's high achievements.

The annual general meetings and accountability reports in the cooperatives and enterprises, as well as the kreis peasants' conferences, gave broad democratic legitimacy to the 13th Peasants Congress. These deliberations were supported by a creative discussion on the best methods of increasing production and efficiency. An essential basis for this was the congress draft resolution submitted for public discussion. The discussions led to accountable decisions to fulfill and purposefully overfulfill the national economic plan.

The militant position of the cooperative peasants and workers in the socialist competition, their political open-mindedness, and their optimistic approach to the tasks were essentially influenced by our party elections, the elections to the local and kreis committees of the Peasants Mutual Aid Association, and the elections in the Agriculture, Foodstuffs, and Forestry Trade Union carried out in preparation for the 11th FDGB Congress.

In preparation for the 13th Peasants Congress, the majority of the cooperation councils of LPG's and state farms discussed and decided long-term development plans for their regions. The councils for agriculture and foodstuffs industry submitted development plans for the kreise to the kreis peasants conferences. The 13,267 newly elected members of these councils have now been given higher respnsibility and greater authority in the management of agriculture and the foodstuffs industry.

This future-oriented work reflects certainty and confidence with regard to the future in our villages. The cooperative peasants and workers in agriculture feel themselves to be free and self-confident masters in their cooperatives and enterprises. After a successful 35-year development of the cooperatives, they are firmly linked with socialist production conditions and are actively helping to shape the developing socialist society.

All this clearly shows the increasing potentials of cooperative property, which the party has always given far-reaching prospects in cooperation with people's property. This, too, reflects the political, economic, and organizational stability of the overwhelming majority of LPG's and state farms in crop and livestock production and cooperative relations that are consolidated to a large extent.

In particular, this is also shown in the positive balance sheet of plan fulfillment. In 1986 the planned gross turnover in crop production was exceeded by 3.3 percent and a total yield of 49.4 decitonnes of grain units per hectare of agriculturally usable land was achieved. The plans for state procurement of animal products were fulfilled and purposefully overfulfilled in all positions in 1986 and during the first 5 months of 1987. By the end of May, the plan for slaughter animals was exceeded by 27,700 tonnes, that for milk by 162,000 tonnes, and that for eggs by 50.5 million units. The plan backlog with regard to vegetables, caused by the extreme weather conditions during the first quarter, has been eliminated. In April and May state procurement was fulfilled and, with regard to some important strains, overfulfilled.

The rising procurement of crop and animal products with increasing labor productivity and decreasing unit production input are the impressive results of consciously implementing the economic strategy. In 1986, the increase in milk, slaughter animal, and egg production was for the first time achieved solely by raising output per animal. This performance increase amounted to 3.4 percent last year, measured from the enterprises' own production. These results are based on improved fodder supply and the output-oriented use of fodder. The resulting accountable 2.1-percent improvement in fodder utilization is of considerable importance for the national economy.

The increase in yields, output, and efficiency in socialist agriculture causes a positive development of financial results. The planned profit of the LPG's, state farms, and other socialist agricultural enterprises was exceeded by 14.4 percent. In the state budget, a total of 15.7 percent more rates and taxes were paid than planned.

The unity of economic and social policy proves to be the decisive motivation for these achievements because in rural areas, too, working and living conditions are being improved and income is rising. At the same time, the party's guideline -- which is being implemented in practice to an increasing degree -- to make beautiful and productive villages with the energetic help of LPG's and state farms is having a strong influence on the development of agricultural production.

The Politburo confirmed the Long-Term Program of Research and Development for Agriculture, Forestry, and the Foodstuffs Industry Through the Year 2000. The broad research strategy is aimed at decisive focal points of basic and applied research with special emphasis on key technologies. It aims mainly at scientific top achievements, which particularly promote growth of yields, output, and efficiency. it ensures a complex approach and proceeds from close cooperation between agricultural research facilities, the institutions of the GDR Academy of Sciences, universities and technical schools, industrial combines, as well as LPG's, state farms, and their product-related cooperation groups.

The new quality in linking the achievements of the scientific-technological revolution with the advantages of socialism is increasingly organized on a contractual basis and in line with the principles of economic cost accounting. Forty percent of the projects are tackled together with the USSR and the other CEMA member states. Two-thirds of all tasks are to result in scientific top achievements that yield considerable growth in productivity and efficiency. To this end, 46 coordination contracts and 318 performance contracts in the GDR, and 83 agreements or contracts with partners in the CEMA member countries have been concluded.

The comprehensive application of scientific-technological progress for further performance and efficiency growth increasingly determines the initiatives and creativity of cooperative peasants and workers. At no other peasants congress have science and technology played such an important role as in Schwerin. At no other time have peasants worked so closely with scientists and increased productivity through joint actions. At the same time, we thus have decisive preconditions to overcome unjustified differences in the level of yields and performances.

The bezirk and kreis leaderships should take the long-standing insufficient progress of individual cooperatives, interenterprise installations, and enterprises as an opportunity to bring about general changes through the power of the cooperation groups and the councils for agricultural production and the foodstuffs industry. Corresponding programs are to be worked out and implemented in the course of evaluating the Peasants Congress.

With our LPG's, state farms, and their cooperation groups, as well as with the cooperative peasants' and workers' high level of education, we have social conditions that permit the faster introduction of new scientific insights into practice. The creation and steady development of the lead in education necessary to make use of scientific-technological progress, in particular the key technologies, must also be a priority concern in the future. In this connection, we appreciate the activities of the GDR's Society for Agricultural Sciences. The Central Committee Secretariat has honored the active cooperation of this society's members and has confirmed the guidelines for their work, together with the directive for the execution of the elections. The party's bezirk and kreis leaderships have been ordered to supply appropriate political and organizational support.

In accordance with the SED Central Committee Secretariat decisions on spring cultivation, the cooperative peasants and workers carried out farm work at high speed and with good quality, and eliminated any backlog due to dismal weather. However, some damage has been done by frost and water. In general, we note that high-yield stocks have developed. To make them give maximum yields requires continued careful work on a scientific basis by each person working in crop production and by their cooperation partners.

The SED Central Committee Secretariat decision on measures to prepare and execute the grain and root crops harvest and 1987 autumn cultivation provides guidelines for carrying out all tasks within the most favorable agricultural periods, with the lowest possible losses, and with high quality. Here it is important to master the entire chain, from harvest to transportation and storage, from conservation to processing and to achieve a highly efficient supply of harvest products. Therefore, LPG's, horticultural producer cooperatives, state farms, and their cooperative installations are to cooperate closely with all enterprises involved in harvesting and processing, as well as with the town and village councils, and with all social forces. The FDJ initiatives, in particular those in connection with the grain harvest kreis youth projects, are to receive comprehensive support.

In livestock production particular attention has to be paid to stock development according to plan, especially in the case of pigs. Through intensive means, high performances are to be achieved with the same number of animals. Demands on quality are to be increasingly considered.

The Politburo confirmed a model charter as the legal basis for the work of the existing 13 agroindustrial associations (AIV). [paragraph continues]

It provides guidelines for further shaping the cooperative relations between LPG's, state farms, and other AIV member enterprises to the effect that top achievements in production and efficiency are to be reached through the exemplary application of scientific-technological progress.

To refine our increasing raw material procurement even better and make it more effective for supply, the Politburo and the Council of Ministers made decisions on rationalizing and modernizing slaughter and processing enterprises, cheese factories, and cooling facilities. Now it is important to considerably increase the efforts in rationalization and in-house production of rationalization means in the enterprises and combines of the foodstuffs industry, as well as the corresponding scientific institutions.

In autumn elections will start in the Union of Small Gardeners, Settlers, and Small Livestock Breeders. This large mass organization with more than 1.4 million members is making an increasing contribution to the supply to the population and to eventful leisure time. It is, therefore, the political responsibility of the kreis leaderships, local party leaderships, and residential party organizations to provide the Union of Small Gardeners, Settlers, and Small Livestock Breeders with active help and support.

The Politburo regularly deals with the tasks of preserving and protecting our forests. The reports given in January show, among other things, that the plan targets for afforestation were overfulfilled in 1986. In forest areas with a high level of air pollution, 18 million smoke-tolerant forest plants were used to establish new forsts on 3,200 hectares. In 1987, 350 million forest plants have been provided for afforestation measures and have already been planted in the forests. Approximately 64,500 hectares of pine forests have again been fertilized with nitrogen. To protect the trees against new kinds of damage caused by smoke, a liquid leaf fertilizer has been developed and successfully tested in practice. The utilization of magnesium lime is being intensified. Proven measures to preserve and protect the forests will be consistently continued with wider scope.

The competition for high achievements, exact accounting, and the generalization of the best experiences in agriculture, forestry, and the foodstuffs industry must now be linked with the conscientious preparation of the enterprise plans for next year, in line with the decisions of the 13th Peasants Congress and the directive for the elaboration of the 1988 National Economic Plan. For the bezirk and kreis leaderships this results in the obligation to ensure -- in accordance with the Politburo resolution -- a thorough evaluation of the 13th Peasants Congress in the party and work collectives.

III. Socialist State Power, Alliance Policy, and Intellectual-Cultural Life [chapter head]

Comrades, during the period under review, the Politburo and the Central Committee Secretariat also accorded great importance to strengthening state power and to further developing socialist democracy in our country.

The working people's broad democratic participation in the management of state and social affairs in towns and the countryside has resulted in good progress in implementing the decisions of the 11th SED Congress.

Since the deliberations of the Central Committee and the Council of Ministers with the kreis council chairmen, mayors, and city district mayors in October 1986, instructions to local state organs and the passing on of tested experiences by central state organs have been further improved.

Regional Resources Are Used More Effectively for the National Economy and the Citizens' Welfare Citizens [subhead]

Regional resources are being more effectively exploited for a performance increase in our national economy, and thus for the welfare of the citizens. The comprehensive performance appraisal between the kreise is continued with higher results. A contribution to this was also made by the mayors's conferences in 11 bezirke.

On the basis of the experiences of the Cottbus Bezirk Assembly, as well as the kreis assemblies, city assemblies, and community representatives in the Ludwigslust and Fuerstenwalde Kreise, with regard to implementing the law on local elected assemblies, we can note that the work of local elected assemblies is being directed with more determination toward implementing our economic strategy. This is also confirmed by the reports of these assemblies to the GDR State Council. Local elected assemblies and their councils are making a more effective contribution to ensuring overall plan fulfillment on the part of the locally administered enterprises and cooperatives, and to making the regional conditions for performance develoment in the centrally administered combines more and more favorable. The social labor potential is being used more efficiently, the regions' potentials for in-house production of rationalization means are tapped, and energy is used more economically.

Against the backdrop of this generally successful development, the still existing differences in the regions' achievements become all the more obvious. The Politburo affirms the necessity of achieving greater progress in the overall fulfillment of the 1987 national economic tasks through the comparative performance appraisals between the kreis councils that will take place in September in all bezirke, and to work toward this with the elaboration of the 1988 plan.

Regional rationalization is increasingly proving itself as the main path toward tapping local reserves for a performance increase in material production and, at the same time, toward improving the working and living conditions of the citizens. In this connection, communal contracts are very useful; they have a long-term character and are implemented together with the annual enterprise and local plans. Organized cooperative and interest communities, as well as science-production teams, have a highly useful effect.

The guidelines for a performance increase in the kreis-administered construction sector are still topical. The concepts decided in the towns and villages to solve the housing question and the ensuing plans for the allocation of housing space are to be implemented and accounted for together with the annual national economic plans. The housing stock is to be utilized even more economically by having free apartments quickly reoccupied. For this purpose, it is necessary to put more emphasis on promoting the voluntary exchange of apartments, on the participation of voluntary housing commissions from enterprises and residential areas, and on the work of central apartment-exchange offices.

The priority concern of the state organs' work continues to be to discuss and solve all tasks together with the citizens. This includes taking seriously every proposal, suggestion, and criticism, and conscientiously tackling them, proceeding from the concrete circumstances of the people's life.

In April, the Politburo received information from the GDR's prosecutor general on the development of and fight against crime in 1986. This report shows that, because of the good political atmosphere and social protection in the GDR, the crime rate has further decreased. In 1986 we had the lowest number of crimes in the past 25 years. A particularly positive fact is that over the past few years juvenile delinquency has decreased. This demonstrates that legal security for the citizens is inseparably linked with our policy aimed at the welfare of the people. However, this must not make people indulge in self-satisfaction. There is the perpetual task of further developing the good results and further consolidating our socialist legal system, order, and security.

For the Protection of Peace and Socialism [subhead]

Comrades, the National People's Army, the GDR border troops, and the organs of the Ministry of the Interior and the Ministry of State Security are fulfilling their class assignment as set by the 11th SED Congress with great commitment.

The socialist military doctrine of defense sets the armed forces the task of protecting socialist achievements in every single country and in the community of socialist states from any aggressor. This demands high combat readiness so as not to permit a surprise attack by the aggressor, and to be able to thwart his plans under any circumstances, and to defeat him through energetic and determined action.

The troop maneuvers carried out this spring demonstrated our possibilities to protect the socialist homeland at the side of our brothers-in-arms, to master the necessary leadership of complicated combat actions, and to increasingly master modern combat methods and armament. During extensive, exemplary actions -- while struggling against dismal weather conditions -- the combat readiness of the leading organs and troops, the ready-alert system, combat service, the safeguarding of the national borders, public order, and national security were continuously guaranteed through additional efforts.

The results of the first half of the training year achieved under these conditions deserve particular praise. The Central Committee expresses its thanks and respect for this to the members of the armed organs.

The results in ensuring high combat effectiveness, combat readiness, and preparedness for action confirm that we have embarked upon the correct path and that comprehensive intensification essentially contributes to performance increases, which are organically linked to the improvement of service, working, and living conditions. Manifold initiatives are aimed at new scientific-technological solutions for leadership activities and training, at the most economical use of all resources, and at efficient organization of the whole of work. Party organs must continue to pay full attention to this development.

In May the eighth congress of the Society for Sport and Technology took place in Karl-Marx-Stadt. In line with the socialist assignment of the defense organization to actively help in protecting the socialist fatherland, its resolutions are directed at promoting defense readiness through defense political work among the masses, a higher level of premilitary training, and a wider scope for corresponding athletic activities.

On Science and Higher Education Policy [subhead]

Comrades, the decisions of the third SED Central Committee meeting and the tasks outlined in Comrade Erich Honecker's speech to the first secretaries of the SED kreis leaderships have triggered new initiatives at universities, colleges, and technical colleges, and at the GDR Academy of Sciences for further improving and increasing the effectiveness of teaching, studies, and research.

Corresponding to the requirements of our time is the fact that, in this connection, particular attention has been paid to deepening cooperation between science and production. The target of contractually linking at least 50 percent of the research potentials with industry in 1987 was fulfilled. On the basis of joint long-term strategies, we have to determine with greater certainty and tackle with even greater consistency those future scientific-technological problems that will let us reach a breakthrough in decisive areas of key technologies within the shortest possible period, and that furthermore will ensure the stable and dynamic development of production.

In this connection the Academy of Sciences, universities, and colleges have increasing responsibility for basic research aimed at deeper insights into the laws of nature and society and at far-reaching prospects for their application, especially in the national economy.

It is necessary to take further steps in intensifying scientific work itself, in basic and advanced training and concentrated use of the most capable cadres in the development and application of modern laboratory technology for research and teaching. In this field, too, coordination and performance contracts should contain concrete obligations.

This year's FDJ Student Days and the exhibitions of achievements at universities, colleges, and technical colleges have brought further progress in fulfilling the task of developing and improving the students' independent scientific work as a main pillar of their studies. This movement is to be broadened, since it particularly promotes those skills and qualities expected of graduate students, such as political responsibility and devotion to the cause of socialism, bold thinking, perseverance and industriousness in struggling to solve scientific tasks.

Initiative-Rich Work of Pedagogues' Collectives [subhead]

Comrades, during the period under review further progress has become obvious in improving the guidance of the political and pedagogical processes in all areas of public education. Concrete conclusions were drawn for a high standard of teaching, good results of the current study year, the preparations for the 1987/88 school-year, and for high-standard ideopolitical work.

By using the experiences gained in the party and trade union elections, the basic organizations should mainly aim their leadership activities at promoting a comradely and creative atmosphere in every work collective. Utmost attention is to be paid to ensuring all personnel, material, and technical conditions as a precondition for qualified work and part of the continuous care for the children.

The more than 6,000 youth initiation celebrations this spring in which 174,000 girls and boys made their vow were convincing proof of the trust of the more than 2 million participants and guests in the policy of the 11th SED Congress.

Great Achievements of Artists and Cultural Workers [subhead]

Comrades, impressive cultural events and new works of art demonstrate the creativity and the deep links of the cultural workers and artists with our socialist society.

A report of the GDR Writers Association Presidium to the Politburo in December 1986 clearly showed the association's great contribution to implementing the decisions of the 11th SED Congress to promote the socialist national culture and its public effectiveness as well as to clarify ideopolitical and creative questions.

At the invitation of the GDR Writers Association, authors from three continents met for an international writers discussion -- under the motto "Berlin -- a Site for Peace" -- about the responsibility of literature in the struggle to preserve peace. The close affinity between our state's peace policy and the commitment to peace of humanistic literature and its authors was expressed at a reception held by Comrade Erich Honecker for the participants.

The support of the musical artists for our party's policy was convincingly documented at the congress of the GDR Association of Composers and Musicologists in February. The discussion about results of their work, as well as about tasks for further developing musical work and musical life, was characterized by great responsibility. In May the 1987 Dresden Music Festival was opened. This internationally appreciated GDR music festival was a world-open meeting in the spirit of peace and understanding among peoples.

The "Day of Arts" took place in Berlin for the second time: 80,000 visitors, mainly families with their children, met for artistic events and talks with artists, gained insights into the work of cultural institutions, and were stimulated to deal more intensively with the arts.

Our party paid great attention to the young artists. An expression of this is the resolution on the "Tasks to Improve Education and Training at Arts and Cultural Colleges and Technical Colleges," which was passed by the Central Committee Secretary this January. This forms a long-term concept for the education of young artists, the implementation of which is a matter for the entire society. It comprises the search for talents, their careful promotion, their training and education, and the treatment of young people's art in public.

Under the slogan "Intellectual-Cultural Creativity for Peace and Socialism" the GDR Cultural League held its 11th national congress on 11 and 12 June 1987 in Karl-Marx-Stadt. In was characterized by the deep trust of the Cultural League members in the party's policy and expressed the full agreement with our course for the further shaping of the developed socialist society in the GDR. The congress was a forum for the exchange of the best experiences and encouraging experiences from the varied work of the Cultural League to increase its ideological, intellectual-interdisciplinary, and practical cultural effectiveness for the further shaping of the socialist way of life in our Republic. The future tasks for the varied work of the Cultural League, its societies, and associations, which offers all citizens a broad range of activities and opportunities of active, democratic participation in cultural life, were outlined.

Major cultural events took place in the period under review. The conference of the bilateral government Commission for Cultural Cooperation Between the GDR and the USSR, held in Berlin at the end of March, was particularly important.

Outstanding representatives of culture from Africa, Asia, Latin America, and Europe, as well as leading representatives of international, nonstate cultural organizations participated in the international symposium "Cultural Workers and Artists in the Service of Peace" in Potsdam in December 1986. In their "Letter From Potsdam" they addressed an appeal to all cultural workers throughout the world to make an even more effective contribution to securing peace on earth through cultural and artistic activities, and through their personal commitment.

This year's international Leipzig book fair was convincing proof of our literary production. With the participation of more than 1,000 publishing agencies from 22 countries, as well from the (West) Berlin and the UN specialized agencies, it was an expression of openness to the world, of multifaceted cultural contacts, and of brisk commercial activities.

The GDR's participation in the 11th Duisburg Accents [akzente] was the most comprehensive presentation of the GDR in the FRG to date.

Comrades, the Politburo and the Central Committee Secretariat regularly review the past course of the festivities on the 750th anniversary of Berlin. One can say that Berlin's jubilee is turning into an outstanding event in the GDR's social life; it calls forth attention far beyond the borders of our country. The more than 1,200 events that have taken place to date and the rapidly changing appearance of our capital vividly show how vigorously the political, economic, scientific, and cultural center of our country is developing. This is the result of the industriousness of the working people in our capital and in the entire Republic.

As a venue of political dialogue and of exchange of experiences, and as the site of international tours by more than 350 top ensembles, orchestras, soloists, and conductors to date, from all parts of the earth, Berlin is becoming worthy of its honorary title as a "city of peace." Television and radio relays of the major political and cultural events on the 750th anniversary of Berlin which enable millions of citizens in all parts of the Republic to participate in them, are receiving a wide response. The historical science conference with more than 600 participants from home and abroad which took place at the Red Town Hall made an important contribution to our city's jubilee.

Together with their guests from near and far, the Berliners are commemorating the 750th anniversary as a genuine popular festival of the joy of life and the will for peace. The jubilee shows happiness of our people, their spirit of peace, and their wish for understanding among peoples.

Promotion and Protection of Health -- a Society-Wide Concern [subhead]

Comrades, in the period under review, the Politburo dealt with the development of the people's state of health and drew the required conclusions in order to purposefully carry on our social policy in that field, too.

We are able to note that the implementation of the main task in the unity of economic and social policy with its far-reaching effects on the people's living and working conditions, as well as the achieved standard of medical care have a positive impact on the citizens' health and efficiency. The network of health institutions is being further expanded according to plan. The institution of many additional early, late, and Saturday night office hours enables many working people to contact the physician of their choice outside working hours.

The further development of basic medical care remains our most important task for the future, too. We must reaffirm the demand for tangibly improved care by general practicioners in the big cities and workers centers. Through the joint great efforts on the part of the working people, the pharmaceutical industry, and the pharmacies, and by means of technical progress it will be possible to better meet the growing demands for high quality medicines. But at the same time it is important to steadily supply all the many little things that are indispensable for medical care. The improvement of medical technical equipment also requires still greater attention. At the same time it is important to further purposefully improve the prerequisites for medical research work. In this context the local state organs bear great responsibility, first and foremost for the maintenance and modernization of older health and social institutions and for ensuring that they are workable. Experiences in a number of kreise show that it is possible to tap considerable reserves to this end by means of regional rationalization and communal accords.

Still greater attention should be paid to the dissemination of knowledge and to the propagation of health-promoting attitudes. Many citizens received appropriate recent activities by the press, radio, and television services with great interest.

Implementing pertinent decisions of the party-state leadership on hygiene and communal catering, many state organs and managers of enterprises and institutions are fulfilling their obligations to establish stable hygienic conditions with greater consistency. But inspections by the worker-peasant inspectorates, by the state hygienic inspectorates, and by other control organs have still revealed serious violations of hygienic regulations in a number of communal catering institutions and food industry enterprises. All managers of enterprises and institutions, as well as hygiene inspectorates in the bezirke and kreise are duty-bound to see to it -- with all possible determination -- that the hygienic regulations in communal catering are complied with. It is important to accomplish changes in this field in the shortest possible time.

"FDJ Assignment 11th SED Congress" Proves Its Worth as Action Program of Youth [subhead]

Comrades, the Politburo heard a report of the FDJ Central Council about the elections in the socialist youth league and was able to note that the "FDJ Assignment 11th SED Congress" is turning into a mobilizing action program of youth. The FDJ and pioneer council elections as well as the FDJ membership meetings in May on the topic "the stronger is socialism the safer is peace" once more prove how closely the young generation is linked with the policy of the SED and with their socialist fatherland. The approval of the SED's policy by the FDJ members and youth is specifically expressed in concrete deeds for the comprehensive strengthening of our worker-peasant state.

Our youth regards mastering modern science and technology as a particular challenge. Our party leaderships take this into consideration by intensifying party control over the effective involvement of the young working people and students in addition to all FDJ young reserchers' collectives in the solving of scientific-technical key projects. It was confirmed in many discussions during the "Week of Youth and Sportsmen" that the FDJ collectives, youth brigades, and young researchers' collectives wish to be challenged with demanding tasks and that they regard this as the most effective form of promotion. The FDJ successfully implemented the decision of the Central Committee secretariat to delegate 840 FDJ members within the framework of the FDJ initiative for "energy saving". As far as the forthcoming summer months are concerned, the Politburo focuses attention on organizing the voluntary employment of 60,000 league members in FDJ student brigades with a high degree of effectiveness, chiefly in nationally important industrial enterprises.

The 17th festival of political songs, the concerts of the central music corps of the FDJ, and the Ernst Thaelmann Pioneer organization on the Berlin jubilee turned into outstanding artistic events. The party leaderships will also in the future support the youth league in organizing attractive youth events in additional towns and villages, in expanding the facilities for dances, and in rendering purposeful assistance to the now more than 10,000 FDJ youth clubs. This also comprises completing all the scheduled youth facilities according to plan, and in creating them to use the intitiative of the youths even more comprehensively.

This March the FDJ was a worthy host to the democratic world youth movement at the international peace seminar in our capital of Berlin. Representatives of 158 communist, social democratic, and other national, regional, and international youth organizations participated in this seminar. The assertion made by the general secretary of the SED Central Committee in the opening speech that youth across all ideological frontiers is united in the joint responsibility for a peaceful present and future elicited broad approval.

The seventh festival of friendship between GDR and USSR youth held at Whitsun in Gera turned into a convincing manifestation of the fraternal alliance between the young generation of our countries tide by bonds of friendship, between the FDJ and the Leninist Komsomol. For the first time now the exchange of children and youth with the People's Republic of Poland will take place this year. Once more 300,000 children and youth will participate in it. The work of the friendship brigades, which will be continued according to a decision of the Central Committee with 17 collectives in 10 countries and at the African National Council, is an expression of the internationalist attitude of GDR youth, which is deeply rooted in their thinking and actions.

Successful Development of Physical Culture and Sports [subhead]

Comrades, the citizens of our countries are looking forward to the Eighth Gymnastics and Sports Festival, and to the 11th Childrens and Youth Spartacus Games. The GDR Sports Festival and Spartacus Games Committee, under the chairmanship of Comrade Erich Honecker, was able to note at its recent session that the GDR sportsmen and women are making a significant contribution to implementing the decisions of the 11th SED Congress in the field of physical culture and sports by preparing this great social event. The fact deserves recognition how the more than 3.6 million members of the German Gymnastics and Sports Federation (DTSB) of the GDR are enriching the sports life of our country with their "Sports Festival and Spartacus Games Relay."

The elections carried out in the GDR's DTSB helped to consolidate the socialist sports organization politically, organizationally, and in the way of cadres. A total of 562,402 officials were elected into the boards, leaderships, and auditing commissions of the DTSB basic and kreis organizations in the GDR. This is 86,695 people more than at the 1983 elections of the organization.

The Politburo decision of December 1986 and the guidelines given by Comrade Erich Honecker at the conference with the first kreis secretaries determine the purposeful preparation of efficient GDR teams for the Olympic games in winter and summer sports in 1988.

We are able to note with pleasure that our sports men and women succeeded in achieving great new successes at the top competitions of the past winter. At the world championships that were held in all Olympic winter sports disciplines, they won a total of 11 gold medals, 9 silver medals, and, and 3 bronze medals. Thus the GDR was able to maintain its top position in the area of winter sports. On the other hand increased efforts are necessary in the Nordic ski disciplines to catch up with the world's top performers.

The GDR athletes returned with outstanding achievements from the First Light Athletics Indoor Championship in the United States. Recognition and great praise is due to the excellent successes of our cyclists at the 40th Peace Rally, who won individual and team victories for the GDR and excited our citizens with their great achievements.

The 11th GDR Children and Youth Spartakiad in the olympic winter sports disciplines in Oberwiesenthal and Karl-Marx-Stadt proved how successful the work with our young athletes, which reaches far into the future, is being carried out in the sports associations, sports clubs, childrens' and youth sports schools, and in the training centers.

Dedicated Participation of Women [subhead]

Comrades, the 12th National Congress of the Democratic Women's League (DFD) was fully characterized by the women's active participation in further implementing the 11th SED Congress decisions. The congress illustrated that a new generation of women has grown up who are able to develop their talents and skills more freely than ever before thanks to living conditions that have been highly improved through the unity of economic and social policy.

In all fields of social life women are actively and successfully working for our party's policy which is aimed at the welfare of the people and at peace. Because of the women's technical and political development, as well as their professional experiences, the Central Committee's demand to use more women in leading functions is absolutely realistic.

We are pleased to note that through its imaginative political, cultural, and athletic work, the DFD, as a mass organization exclusively working in residential areas, has gained great merit in the development of social life in the interest of women, children, and families. Therefore, more and more young women are finding their way into this organization. It has proved to be a correct measure to increasingly direct the DFD's influence toward women in the crafts, in small businesses, and in Christian circles.

Our party's kreis leaderships, local leaderships, and residential party organizations should continue to support the activities and dedication to work of the DFD executive committees so that the decisions of the 12th DFD National Congress are implemented in all towns and cities and their effect among the masses is increased.

Tested Coexistence of Forces United in the National Front [subhead]

Comrades, lasting stimuli resulted from the decisions of the Third SED Central Committee Session and the deliberations of the SED Central Committee Secretariat with the kreis first secretaries for the alliance-political cooperation between the SED and the other parties and mass organizations united in the Democratic bloc and in the GDR National Front.

At the meeting of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, with the chairmen of the friendly parties and the president of the National Council of the GDR National Front in February and June, during which topical questions of domestic and foreign policy were discussed, it was unanimously agreed that the tested democratic coexistence has been repeatedly consolidated through deeds for socialism and peace on the basis of a real relationship of trust.

The 12th Congress of Democratic Peasants Party, the 14th Congress of the Liberal Democratic Party, and the 13th Congress of the National Democratic Party were eloquent expressions of the further deepening of the workers class' firm alliance with all classes and strata of our people. This also characterizes the preparations for the 16th Congress of the Christian Democratic Union. The congresses showed how their parties' members, with increased political dedication, observe their responsibility in the new stage of the shaping of the developed socialist society. The delegates expressed their free will to use these parties' own great possibilities for the purposeful development of repair services, services, and supply for the benefit of the people, and to utilize scientific-technological progress in this connection. The unanimous support of these party congresses for our policy that serves the welfare of the people deepens the conviction that we can also count on the friendly parties as reliable fellow-fighters in tackling future tasks with a view to the turn of the millennium.

As a result of the successful implementation of the Marxist-Leninist nationality policy, relations of mutual respect, appreciation, help, and common responsibility for the further strengthening of the GDR are being consolidated between German and Sorb citizens. This was impressively demonstrated by the 11th National Congress of the Domowina, the Sorbs' socialist national organization, which took place in Cottbus in March.

The extended session of the GDR National Front National Council in February set guidelines for successful mass-political work serving the interests and the welfare of the people. It decided on the goals of the "Beautify our towns and villages -- join in!" citizens initiative until the year 1990. For 1987 there are pledges of the citizens, amounting to M9.6 billion, to maintain the housing stock.

The Politburo notes with satisfaction that the National Front is increasingly developing as the GDR's comprehensive socialist people's movement. Thus, since the 11th SED Congress the number of the members of the National Front committees has increased by another 12,000 to 400,000. The 350,000 house and street communities, in whose leaderships more than 1.1 million communists, members of the friendly parties, and nonparty people are steadily and with rising success trying to ensure the welfare of their fellow citizens, and a good communal climate, have proven to be an effective social force.

Following the main motif "To care for the veterans, to strengthen our fatherland, to serve peace -- good daily work for this," the 10th Central Delegates Conference of People's Solidarity drew up an impressive balance sheet and discussed further tasks with regard to caring for senior citizens. As a socialist mass organization People's Solidarity with its 2.1 million members is making an important and appreciated contribution to implementing the party's policy for the benefit of the people and for happiness of man.

IV. Our Party Is Firmly Linked With the People; In a Uniform and Cohesive Way It Fulfills Its Tasks as Society's Leading Force [chapter head]

Comrades, in order to successfully implement the decisions of the 11th SED Congress, during the period under review the Politburo paid utmost attention to steadily increasing the party's leading role, raising the militant strength of all its organizations, perfecting the work style close to the masses, and comprehensively developing the communists' creative actions.

With increased maturity, many valuable experiences, and great readiness for action, the large collective of our country's communists, the 88,447 basic organizations and departmental party organizations, and the bezirk and kreis leaderships, are doing purposeful and successful work. The good record of the development of our party and the socialist society is mainly due to the firm unity and cohesion of our ranks, from the Central Committee to the basic organizations, and to the deep trust between party and people. We can reach for higher goals with a politically qualified, ideologically well equipped, and organizationally firm, uniformly acting militant party.

In implementing the decisions of the Third SED Central Committee Session, the party organizations and their leaderships have developed great activities. The fulfillment of the concrete tasks set down for this purpose by the bezirk leaderships, kreis leaderships, and basic organizations in action plans and militant programs led to a raising of the standard of ideopolitical work with the people, and to an increasing contribution on the part of the collectives toward implementing the party's economic and social policy. This is most obvious in the constructive and effective support in developing a high standard of innerparty life, and in broadly promoting innerparty democracy. This furthers the necessary mental attitudes for the party's demanding goals, and the best possible leadership conditions for good work results.

The bezirk and kreis leaderships are paying much attention to the further development of the qualitative and quantitative composition of the party ranks. In this connection, their attention is focused on the purposeful distribution of the party forces, in particular in those sectors that have a special influence on the dynamic economic growth. Since the Third SED Central Committee Session, 27,693 candidates were accepted into our militant association, 21,171 of whom are workers. At present the SED has 2,324,386 members and candidate members. After the 11th SED Congress the number of basic organizations and departmental party organizations has increased by 1,292. The fact that one out of five GDR citizens at working age over 18 is an SED member or candidate member guarantees that the party lives and fights in all social fields.

Strong Stimuli for the Further Implementation of the Party Congress Decisions [subhead]

Comrades, the deliberations of the Central Committee Secretariat with the first secretaries of the kreis leaderships gave strong stimuli to the further implementation of our 11th party congress decisions. In his significant speech Comrade Erich Honecker evaluated before all the people and the international public our results and experiences achieved to date in implementing the decisions of our 11th party congress and set down the concrete tasks for the next phase of our struggle. The communists and all GDR citizens were encouraged in their conviction that the party is able to answer all questions of the present and future in line with our conditions and international requirements, and to reach the aligned targets for the benefit of our country.

As the results show, our party has created decisive preconditions at the right time for the development of a broad creative, mass initiative of the working people for the overall strengthening of the GDR, and in particular for the fulfillment of the 1987 national economic plan and the accepted pledges for its overfulfillment.

With new and tested forms and methods of party work the party's treasure of experiences was enriched and the leadership style of the bezirk and kreis leaderships improved. This is mostly expressed by the fact that the daily tasks are linked more firmly with the fulfillment of future-oriented tasks, and that ideopolitical and economic questions can be better solved in all their complexity.

In many ways press, television, and radio have promoted the societal exchange of experiences and comparative performance appraisals for the further implementation of the unity of economic and social policy. This particularly applies to the enforcement and broad application of scientific-technological progress, key technologies, and top high technologies, such as demonstrated by the "Race with Time" broadcast, and the new "Computer Hour" television series. As in the central mass media, thousands of working people were provided with the opportunity to speak about their initiatives, experiences, and proposals in the bezirk papers and enterprise papers.

The arguments on domestic and foreign policy and the guidelines in accordance with our party program that every communist, wherever he works and lives, must be an active fighter at the ideological front, which were conveyed during the conference with the first secretaries of the kreis leaderships, have essentially contributed to raising the standard, attractiveness, and effectiveness of ideological work. All attempts of socialism's enemies to gain influence by means of instigation, defamation, and demagogy are being opposed with determination.

It remains a priority task in ideopolitical work to give a convincing answer from our ideology's view to all questions posed by life. This applies in particular to the direct connection between the struggle for peace and the worldwide conflicts between the systems of socialism and imperialism. For this purpose, ideopolitical work has to use the results of the Berlin session of the Political Consultative Committee of the Warsaw Pact states and their coordinated peace strategy, which proceeds from the responsibility for mankind's fate and the prevention of a nuclear disaster, in order to take them into the masses, and to thus further develop in this connection the initiatives for the implementation of the decisions of our 11th party congress.

Party Elections -- Expression of Vivid Inner-Party Democracy and Firm Links with the Masses [subhead]

Comrades, the party elections in the basic organizations which were carried out following a resolution of the Third Central Committee Session were a period of strenuous and initiative-rich work. The speech by Comrade Erich Honecker before the first secretaries of the kreis leaderships gave concrete guidelines for these actions. It decisively determined the contents and the results of the accountability election meetings.

The Politburo has taken a decision on the party election results, which was published in the party's central organ NEUES DEUTSCHLAND and in the bezirk papers. In the same way as the party elections were a matter for all the people, the people were informed about their results with all frankness. The Politburo stressed that the party elections further consolidated the party's unity, and caused another increase in the basic organizations' militant strength.

The quality of the accountability reports, the business-like, critical, and dedicated discussion, as well as the demanding targets of the party collectives reflect the great initiative of the communists. The militant programs of the basic organizations are determining the specific contribution to this. The more than 420,000 proposals and suggestions submitted by the members and candidate members at their election meetings are the expression of vivid inner-party democracy, and of the great readiness to bear responsibility for the implementation of the party's policy at any time.

The composition of the new leaderships offers secure guarantees for the continuity and quality of party work, because as a result of the party elections our party can rely on a strong and politically experienced collective of cadres in the basic organizations. [paragraph continues]

It is an expression of the party's firm roots in the workers class and among the working people that there are 54.4 percent workers in the newly elected leaderships; 5.3 percent of the leadership members are cooperative peasants, and 28.5 percent belong to the intelligentsia.

Comrades, in April the Central Committee Secretariat received a report of the Torgau Kreis Leadership on experiences and results of the evaluation of the deliberations of the Central Committee Secretariat with the first secretaries of the kreis leaderships and on the party elections in the basic organizations. The report vividly showed how the Torgau Kreis Leadership is able to organize good results in the implementation of the 11th SED Congress resolutions by means of purposeful work and to make an increasing contribution to strengthening our country's economic power.

Regarding this, results worth generalizing are the exploitation of regional economic reserves through convincing political work with the working people and the purposeful implementation of the unity of economic and social policy in all its complexity. The Central Committee Secretariat pointed out that the political guidance of the scientific-technological renewal process must always include improvement of working and living conditions according to plan as well as timely political and technical training of the working people.

The kreis leadership's attention was drawn to further ensuring high quality in its political leadership work with regard to instruction, help to the basic organizations, and to provide them with all information and experiences necessary for the successful implementation of the decisions.

Comrades, the Politburo received a report of the Dresden Bezirk leadership on "experiences and results of ideopolitical work in implementing the 11th SED Congress decisions." The Dresden Bezirk leadership is doing initiative-rich, creative work that is close to the masses in order to implement the party's policy.

The reports confirm our basic experience that high quality in ideopolitical work with the people is the decisive link in the chain to successfully realize the party's leading role. It is necessary to answer all questions of the people on domestic and foreign policy in a theoretically well-founded, practical, and active way, and with firm class positions, and to call on the people's active cooperation. As the Politburo stressed, even more intensive influence is to be exerted so that the kreis leaderships and basic organizations achieve the broadest possible effect in their ideopolitical work and are able to work in a more differentiated way with workers, cooperative peasants, members of the intelligentsia, and members of the various age and interest groups.

Experiences show that ideopolitical work reaches good results in those places where the party leaderships concentrate the forces and means on solving focal questions, know exactly the situation in their sphere of responsibility at any time, react in a farsighted and quick way to the emerging problems, and initiate effective measures for lasting changes.

The Party Is Well Equipped To Fulfill All Tasks [subhead]

Comrades, during the period under review, the work of the central educational institutions, the bezirk party schools, the kreis and enterprise schools of Marxism-Leninism, and the seminars of the party school year concentrated on intensively conveying the rich theoretical contents and the treasure of practical experiences of the 11th SED Congress decisions and of the speeches by Comrade Erich Honecker at the Third Central Committee Session and before the first secretaries of the kreis leaderships.

Tens of thousands of party cadres, in particular functionaries from the basic organizations' leaderships, who these days conclude prolonged studies at the party schools of the bezirk and kreis leaderships, will strengthen our party's militant strength and will contribute to consistently implementing the decisions of the 11th SED Congress.

The nine topics of the party school year on the 11th SED Congress' domestic and foreign policy, which were decided by the Politburo, were dealt with successfully by the 1.8 million participants. In January the Politburo decided on the topics for the seminars and study courses of the 1987-88 party school year. The Central Committee Secretariat confirmed the topics for the lectures and seminars for leading cadres and party secretaries on basic questions of the SED's strategy and tactics in the struggle for the further strengthening of socialism and the safeguarding of peace. The Central Committee Secretariat passed a resolution setting down the tasks of the educational institutions of the bezirk and kreis leaderships as well as those of party organizations in enterprises in order to further increase the standard of ideopolitical work.

Comrades, the Politburo and the Central Committee Secretariat have always been guided by the fact that new qualitative demands on the party's leadership work, militant strength, and affinity with the masses result from the logical connection between the greater social tasks and the subsequent requirements to the party.

The leadership work of the bezirk leaderships, kreis leaderships, and basic organizations focuses on the consistent implementation of the 11th SED Congress decisions. Here they particularly concentrate on the following tasks:

1. The far-reaching guidelines in the speech by Comrade Erich Honecker, general secretary of the SED Central Committee, before the first secretaries of the kreis leaderships remain the determining basis for the actions of all leading party organs and basic organizations. The further implementation of our policy which is directed at the welfare of the people and the safeguarding of peace demands to make all working people aware of the importance of their own daily work for the overall strengthening of the GDR so that they actively support socialism's peace offensive with their exemplary achievements under the slogan "My workplace -- my combat station for peace."

2. A cardinal question for the quality and efficiency of political leadership work consists in raising one's own contribution to implementing the party's economic strategy and in realizing the unity of economic and social policy through increasing performances in one's sphere of responsibility. The overall fulfillment of the 1987 national economic plan and the fulfillment of the pledges made are a decisive militant task of every party leadership and of all communists in connection with the thorough discussion of the targets and tasks of the 1988 national economic plan.

3. A decisive focal point of political leadership activity remains the further perfecting of socialist democracy as the supporting foundation of our successful advance. Party work is, first and foremost, work with the people. Following the tested principle of "Participate in working, in planning, in governing," the party organizations are directing the further improvement of the work style that is close to the masses at the development of the constructive democratic cooperation of all citizens in our country.

4. The tested path of closely linking the tackling of new, high goals with showing our successful records and of strengthening the pride in the joint achievements must continue to be an integral part of the mobilizing work of all party organizations. We let ourselves be guided by the knowledge that nothing is linking the working people more firmly to their work collective and deepening their love and loyalty for their socialist fatherland more than the certainty and the experience that they are making a worthy, recognized contribution to strengthening socialism and to safeguarding peace.

5. Political leadership work is to be increasingly directed at fully taking into consideration the complexity of guiding social processes and at strengthening collectivity and personal responsibility in order to master the rising demands, at broadly developing inner-party democracy, and at including all members and candidate members of the party into the elaboration, implementation, and control of the decisions. This enables the communists at any time to be a model in the struggle to implement the decisions of the 11th SED Congress and the Central Committee.

Dear comrades, as the results of the work during the period under review show, the party is tackling the further successful implementation of the decisions of our 11th SED Congress with greater militant strength and is firmly linked with all the people.

FISCHER ADDRESSES 19 JUNE CENTRAL COMMITTEE SESSION

AU231838 East Berlin NEUES DEUTSCHLAND in German 20-21 Jun 87 pp 5-6

[Speech by GDR Foreign Minister Oskar Fischer during the discussion at the Fourth SED Central Committee Session on 19 June in East Berlin: "The Key Question: Elimination of Medium-Range Missiles"]

[Text] Dear comrades, since our third session much has happened in foreign policy. The report, with which I agree, reflects a great dynamism. It also shows impressively how our party has contributed to the growth of possibilities to solve the key questions of disarmament and security.

Our party and thus our state have a weighty share in the peace offensive of the fraternal states allied in the Warsaw Pact. Our course, which was decided as early as the seventh plenum in 1983 immediately after the deployment of the U.S. medium-range missiles in Western Europe and finally at the 11th SED Congress as a long-term strategy of our foreign and security policy, is fully proving its worth in the current complicated situation. It corresponds to the special demands resulting from our location in the heart of Europe, directly at the borderline between the two military coalitions, and in the area of highest concentration of any kind of destruction potential. It lives up to our responsibility that only peace shall ever emanate from German soil. Our policy of dialogue and cooperation has proved that it strengthens the forces of reason and realism and broadens the commitment against arms buildup and for disarmament. Thus, we help to ensure socialism of peaceful external condition for its construction work.

An Unprecedented Disarmament Offensive of Socialism [subhead]

The principled, and at the same time flexible, policy of the Soviet Union, the proposals of Mikhail Sergeyevich Gorbachev, which proceed from the Geneva and Reykjavik summits and socialism, have been able to make the questions of arms limitation and disarmament the central subject of international policy by means of a disarmament offensive that is unprecedented in history. [paragraph continues]

This has become possible only because these disarmament proposals reflect the interests of all of mankind; it has become possible only through the direct and clear universally understandable explanation of the threatening dangers and the constructive ways of solutions. Thus it was possible to bring the discussion out of the narrow circle of experts that was isolated from the public and take it into the people's masses.

The Berlin summit of our alliance stressed that the development in the world, the changes in the international relations, the increasing mutual dependence of states, the scientific-technological progress, and the existence of weapons of incredible destructive power require a new approach to the questions of war and peace, to disarmament, and to other complicated global and regional problems. Now a struggle is waged not only against the ideology of nuclear deterrence but mainly against the material bases of the danger of war.

NATO is forced to reconsider the strategic and tactical guidelines of its alliance. At their meeting in Venice for instance, the "Seven" could not think of anything but of sticking imploringly to the bankrupt doctrine of deterrence by means of military strength and nuclear arms.

It is not so much the breathtaking speed of our proposals, but the bold approach to our time's vital issues that has led to this new quality of international discussions in the question of war and peace.

In the public of Western states, well into the realistically thinking circles of monopoly bourgeoisie, the patient, principled, and predictable policy of the socialist states has now caused the growth of the conviction that the East really does not want war and, even more, is ready to accept the West as a partner. Socialism has practically proved its readiness and capability to reach a compromise for peace.

Among other things, the following can be deduced from this:

First, the lie of the century about the "danger from the East" in its topical version of the "empire of evil" is being shaken. Our alliance's military doctrine, which was first approved and published here in Berlin, says that "no war must be permitted -- neither one waged with nuclear weapons nor one pursued with conventional weapons." This makes it more difficult for the most aggressive circles of monopoly capital and for the military-industrial complex to make the necessity of arms buildup and such gigantic arms deals as are connected with the Star Wars program appear credible.

Second, thus, the justification for NATO's military doctrine, the core of which -- that is, nuclear disarmament -- remains the same even after the NATO Council session in Reykjavik, is starting to crumble more and more visibly. Public discussion on this topic has been started.

Interlocutors during the state visit of our Comrade Erich Honecker to the Netherlands agreed with his statement that today's situation must make military men change their way of thinking as well, something which has already happened on our side. Who could deny, for instance, that it is more sensible to balance possible military asymmetries on both sides by means of disarmament and not through counter armament. This is the only way to achieve the mutually recognized goal of a balance on an ever lower level.

With their military doctrine the Warsaw Pact states do not aim at a cheap, psychologically and politically skillful, long-term propaganda move, but they want to achieve -- in patient and doubtless very protracted and highly complicated negotiations -- a mutual incapability of attack with regard to the structure and armament of the armed forces and by strictly observing equality and equal security. Solving this task certainly is of historic importance.

Finally, third, with the stable political and dynamic economic development and the increasing international attractiveness of socialism, the illusion to be able to "kill socialism with armament" is rapidly dwindling. In the meantime, even in the United States -- in view of the increasingly critical economic development -- more and more concerned voices are raised, wondering whether the current crazy speed of armament can be sustained in the future. According to official data, the United States has already incurred enormous debts of $2.3 billion.

Berlin Summit Stressed Readiness for Cooperation [subhead]

Western reactions to the socialist disarmament offensive are differing. One thing, however, must be recognized: Our concepts do not only take into consideration the worries and fears of the broadest possible strata, but show realistic solutions to master them.

The forces that understand that in case of a nuclear war there will be neither victors nor vanquished, are on the rise. And therefore, they are willing to coexist with socialism. Many of them -- businessmen -- hope to make a profit by peaceful means, that is, precisely by cooperation. The Berlin summit expressly emphasized its readiness "to search for ways of further developing mutually beneficial economic and scientific-technological cooperation with all countries."

The most reactionary and aggressive circles, however, are also forming up. They deny the principle of equality and equal security. They do not understand that today security can be established only together. They try to question valid international agreements, such as the 1972 Soviet-U.S. treaty on the limitation of antimissile systems (ABM Treaty), are undermining their obligations, and are testing again and again the strength of East-West relations. They even urge their governments to throw their own proposals overboard as soon as the socialist states agree with them. They continue to invent new objections to tie questions that can indeed be solved into a Gordian knot. It is to hope that after the NATO Council session last week its members now come from verbal disarmament actions to real ones so that the agreement on the zero option between the Soviet Union and the United States will be concluded in 1987.

Our Contribution to the Peace Program Covers All Areas [subhead]

As Comrade Erich Honecker recently noted, the GDR considers the elimination of the medium-range missiles a key question. For the first time in the history of the struggle for disarmament, the transition from "mere" arms limitation to real reduction and liquidation of an entire category of weapons would become possible. With an agreement on medium-range, worldwide disarmament, security, cooperation, and understanding can be reached. This was noted by the Politburo, the State Council, and the Council of Ministers in their joint statement on the Berlin summit.

This is a statement of responsibility. This is the eye for necessity and achievability. Such a policy will not be stopped by any provocative speeches of the anticommunist type at the Brandenburg Gate or anywhere else. The GDR, as a sovereign state, adheres to its policy that is oriented on reason and reality and characterized by the knowledge of one's responsibility for a peaceful tomorrow. This will not be changed by any attempts to push West Berlin again into a cold war role.

Our party's contribution to implementing the peace program covers all areas. I recall the proposals of our alliance: the goal announced by the Soviet Union to free the world from nuclear weapons by the year 2000, the plan for conventional disarmament from the Atlantic to the Urals, including complete verification. For this purpose we developed the joint initiatives with the CSSR and the SPD that are known to you. They offer all European states the opportunity to contribute to this work because they are guided by the direct security needs of these countries.

In this connection the French paper LE MONDE wrote at the beginning of April: "If one were really to reach an agreement in line with the proposal of the GDR and the CSSR... short-range missiles would no longer have any targets. All this would be a new step forward for the idea of a total denuclearization of Europe!"

The Soviet-U.S. agreement on the elimination of their medium-range missiles in Europe would promote the creation of a comprehensive system of international peace and security. Therefore, the GDR is purposefully working to this end in the United Nations. As the communique of the Berlin meeting of the Political Consultative Committee says, it is important to take "concrete measures to establish the military, political-legal, and moral-psychological peace guarantees", and to practically implement security for all. Such a system is to comprise the military and political as well as the economic and humanitarian areas and is to include cooperation in the field of ecology as well as in the health sector.

The GDR is doing constructive work, which promotes socialist European policy, within the CSCE process -- that means, at present, at the meeting in Vienna. In our view, respecting the Helsinki Final Act not only offers good conditions for bilateral relations but also an additional basis for effective negotiations on conventional disarmament in Europe.

Of course, we do not overlook representatives who consider the CSCE process first and foremost a propaganda forum against socialism, not a forum to build bridges, but to make differences clear and to demand changes in the system. In this way an instrument of cooperation can only become an instrument of confrontation.

A look at the international activities of the party and state leadership cited in the Politburo report shows that our party is pursuing the dialogue on an impressive scope, with great speed and convincing results. An agreeable influence on the international climate is emanating from the bilateral relations; they are benefiting both sides. In this respect the stability and dynamism of the socialist society and of our state as well as the steadily increasing capacity are noted. It becomes evident that the citizens feel protected and comfortable in our state. Great appreciation is leveled on the predictability of the GDR's policy at home and abroad; its reliability in fulfilling agreed international obligations is stressed. Credibility and continuity is attested to our policy, and the antifascist bases and the GDR's dedication to peace aiming at things that can be really achieved are emphasized. Our close relationship with the Soviet Union and the firm membership in the Warsaw Pact are respected. The socialist German state is highly renowned for its anti-imperialist solidarity and its striving for a peaceful balance of interests, and for cooperation. Last but not least, our foreign policy activities are a direct support and encouragement to all people who are working to strengthen peace and cooperation.

Our state's high reputation is very much the result of the farsighted, energetic international work of Comrade Erich Honecker, for which we, who are directly involved at the international level, express our warmest thanks.

The socialist states have brought movement onto the international stage. Thanks to their efforts to cooperate even better and more effectively, the fruits are beginning to ripen. That means: We are on the correct path. We will not grant ourselves a respite and will call on everyone to fulfill his duty to peace. In this our party can rely on an overall stable, economically strong GDR, and on the creativity and the readiness of the working people. This is a good reson for confidence.

KESSLER ADDRESSES 19 JUNE CENTRAL COMMITTEE SESSION

AU011817 East Berlin NEUES DEUTSCHLAND in German 20-21 Jun 87 p 6

[Speech by Army General Heinz Kessler, member of the SED Central Committee Politburo and minister of national defense, during the discussion of the fourth SED Central Committee session on 19 June in East Berlin: "Statement on Military Doctrine Proves Our Coalition's Humanistic Credo"]

[Text] Dear comrades, the results of the Berlin meeting of the Political Consultative Committee of the Warsaw Pact states have met with the full agreement of all GDR people, of the working people, and also of the Army members, border soldiers, and civilian employees of our armed organs. Comrade Erich Honecker expressed exactly our sentiments when he said: "Our declared goal is a nuclear-free world, and a peaceful space. The Warsaw Pact states do not demand more security for themselves than for others, but neither do they demand less. Their military doctrine and the level of their defense capability are determined exclusively by the needs of their own security and their own defense."

In the 70th year of the Great October Socialist Revolution it has again been demonstrated very conclusively here in Berlin, the GDR's capital city, that peace and socialism are a unity and need each other.

Seventy Years of New USSR Initiatives for Peace [subhead]

On 8 November 1917, 70 years ago, the young Soviet power, which was just 1 day old at that time, proposed to all warring peoples and governments to immediately start negotiations toward a just and democratic peace. However, the imperialist states of that time, including the German Empire, answered the Russian workers and peasants by continuing the war, with blackmail and annexation, and with new attacks and interventions.

Seven decades later, under a different international balance of power, the Warsaw Pact states propose an entire program of far-reaching practical steps for disarmament in order to immediately halt mankind's sliding into a nuclear disaster. We are also in favor of working out new measures that make it possible to reach even more essential reductions of armed forces, armaments, and military expenditure by the year 2000.

Today's imperialist states, led by the United States, can no longer simply ignore these proposals. For the first time they are signaling readiness for real disarmament measures.

In the dozens of years of papers published since 1917, and in the foreign policy and military files, one can read how many proposals, initiatives, and advance performances have been initiated by socialism for the cause of peace. [paragraph continues]

It was and is the consistent, humanistic policy of the Soviet Union and the other socialist states, aimed at peace which has been gradually enforced despite the permanent pressure of defamations, incitement, and embargoes, of counterrevolution and aggression. This policy has achieved constant successes and has convinced increasingly more people in the Western countries that the alleged threat from the East is nothing more than a notorious, purposeful lie of the capitalist armament companies, imperialist politicians, and military men.

Increasing numbers of people on all continents realize: The Soviet Union and the other socialist states want peace and are in favor of disarmament without any conditions. The allied socialist states have no political or economic interest whatsoever in the arms race, in the preparation, or even the pursuance of wars! We do not want or need a single square meter of foreign soil, any property of other peoples, any military conquest of raw material sources or markets! Our community of states and our parties are strictly against any export of the revolution but also against the export of the counterrevolution and the exploitative regime with its mass unemployment for the working people and its super profits for the owners of the companies!

It is our principle and firm conviction to be against the pursuance of the competition of social systems by military means. The Armed Forces of the Warsaw Pact states do not know any other military task than to defend the socialist achievements and peace for our peoples and for all peoples in the world!

The Warsaw Pact military doctrine, as it was jointly worked out and signed at the Berlin meeting by representatives of our party and state leaderships, focuses like a magnifying-glass on the characteristics of the foreign, security, and military policy of the allied states and the national military doctrines, the basic essence of the assignment of the Joint Armed Forces and of all fraternal socialist armies.

The statement of the Political Consultative Committee on the Warsaw Pact military doctrine practically formulates our coalition's humanistic credo, which, at the same time, corresponds to the interests in life and survival of the entire society: To banish war once and for all from the life of mankind, to halt the arms race, not to permit the use of military force, to strengthen peace and security, and to bring about general and total disarmament.

Logically, the first two sentences of that part of the statement which characterizes the nature of this military doctrine say that the Warsaw Pact states will never and under no circumstances start military actions against any state or alliance of states if they themselves are not subjected to an armed attack. They will never be the first to use nuclear weapons!

Thus the document concisely and convincingly expresses socialism's mission that is directed at eliminating war and reflects the fact that the Warsaw Pact alliance is of exclusively defensive character -- today in the same way as 32 years ago, when it was founded in response to the integration of the FRG into NATO and to the establishment of the FRG Army.

The Core: Sufficient Means for Defense [subhead]

The core of the Warsaw Pact military doctrine is the principle to ensure military strength at a level exclusively sufficient for defense. This means, we do not need a higher level in numbers, armament, and equipment than the armed forces of the imperialist states opposing us. [paragraph continues]

But we must not permit ourselves a lower level in all parameters of combat strength and combat readiness. Because a level sufficient for defense requires to be able at any time to guarantee that our states will not be surprised by an attack and that our armed forces are capable of fending off any attack from abroad on one of the Warsaw Pact states. "If an attack is indeed carried out against them," the statement says literally, "they will defeat the aggressor."

Thus, the scope of our own efforts to maintain the necessary defense capability is determined by the degree of offensive capability, and the preparations for attack by those armies that might carry out an aggression against a state of the socialist community.

If those, that is, the NATO states, are ready to agree with the comprehensive proposals of the socialist states on arms limitation and disarmament, on strengthening mutual trust, and on reducing the danger of the outbreak of military conflicts, this would open up great possibilities to reduce the military-strategic balance to an ever lower level.

The Warsaw Pact military doctrine is aiming precisely into this direction. It formulates one of the basic aims of our coalition: The reduction of armed forces and conventional armaments in Europe to a level at which each side, while guaranteeing its own defense, does not possess the means for a surprise attack on the other side or for any offensive operations at all.

In order to make progress on this path, the Berlin session proposed to the NATO states to hold consultations not only to analyze and compare military doctrines -- although this, too, is very important and instructive. Because then the FRG chancellor would no longer be able to talk so lightly about the offensive character of the Warsaw Pact military doctrine, as he did recently in the anticommunist television show on the other side of the Brandenburg Gate -- as if he had never read our documents. During the proposed consultations on the military doctrines, the parties involved should, most of all, jointly discuss the future orientation of these doctrines and ensure that the military concepts of both military blocs and their members are based on defensive principles.

If historically developed imbalances and asymmetries with regard to individual weapons systems or partial forces are discussed in these consultations, the parties involved are to look for ways to eliminate them -- not by counterarmament on the part of the side lagging behind, but by arms reductions by that side with superiority in the respective weapons system.

This is an extremely important principle to ensure the phrase "to make peace with ever fewer weapons," which has been used by some leading FRG politicians only as a slogan -- a phrase that we, as is proved by our peace policy, have converted into practical deeds.

Such consultations should also discuss the reasons for the attitude of certain groups within NATO, who do not want to renounce the deployment of nuclear weapons in Europe and the willingness to engage in the first use of mass destruction weapons. These forces are still pushing ahead with armament in order to increase the NATO states' capability for surprise attacks and rapid advances well into the defense of the Warsaw Pact forces by means of nuclear and conventional arms.

Shortly after the Berlin session Admiral Wellershof, inspector general of the FRG Army, stated that with the zero option NATO is giving up part of the weapons systems that are able to hit Soviet territory from European soil. Now it is all the more urgent to make other options available with which NATO can endanger Soviet territory, he noted. The Army leadership probably counts the planned modernization of the Pershing-1A missile systems, which they absolutely want to keep under their power of disposition, among these options.

In full agreement with the Warsaw Pact military doctrine, it is the supreme principle of the policy of our party and our state -- the supreme principle of the GDR's military doctrine -- to do everything so that war will never again emanate from German soil, but only peace. By the way, this also corresponds to the Joint Statement by Erich Honecker and Helmut Kohl made on 12 March 1985.

Socialism's Construction Work Is Being Reliably Protected [subhead]

It is the main task of the National People's Army as the core of the GDR's socialist national defense, the task of the border troops and of all other armed forces, to reliably protect at any time the building of the developed socialist society, the life, and the peaceful work of our people, and to secure the borders of our state's air space by means of the most effective use of all available personnel, material, and financial resources.

We proceed from the premise that here in the heart of Europe, at the borderline between the world's two largest military coalitions, our socialist national defense, and each of our soldiers, at the side of the Soviet comrades and the other brothers- in-arms, are bearing a special responsibility for peace. The awareness of this responsibility must be expressed at any time by high vigilance and stable achievements in the combat and border service, in operational and combat training, in the readiness for military combat, action, and mobilization of each unit, each force, and each institution. With regard to absolute reliability of all our defense and security intallations there cannot be any concessions. Rejection of any attempt at military intimidation and blackmail by the most aggressive forces of imperialism against the GDR and prevention of any kind of armed conflict here in central Europe are extremely important, since here the dangers of rapid escalation of a military conflict are particularly high. In such a conflict -- even if no nuclear or chemical weapons would be used -- modern conventional weapons would have a much more destructive effect than during World War II. In addition, as Comrade Mikhail Gorbachev explained in Prague, there are about 200 nuclear power plants in Europe and a many-threaded network of chemical companies, whose destruction would pose an enormous danger to life on this continent.

The members of the National People's Army and our country's young people who are eligible for military service know how much has been achieved, and how valuable the socialist achievements are. They are educated in the knowledge: The more qualified and dedicated I am in working to strengthen and defend my socialist fatherland, the more secure is peace; and the more secure peace is, the more successful is the progress of the developed socialist society, the richer are the fruits of our party's economic and social policy for each individual, and for each family, the closer are the relations of friendship between the peoples of our community, the more increases the international attractiveness of the socialist society, and the better flourish friendly relations between the peoples, trade and cultural exchanges, as well as equal cooperation between states with different social systems.

The readiness for defense on the part of members of our army members and border soldiers is mostly deeply rooted in their unconditional love for peace, in their affinity to the socialist homeland, and in the friendship with the people of the Soviet Union and the other socialist states, in the respect of the achievements and the appreciation of the achievements of all people in the world. These are the strongest motives for their commitment to high combat effectiveness and combat readiness. We must keep them alive as long as socialism and the peace of the people are in danger.

Love for Our Country and Its People [subhead]

Dear comrades, I think that in the future much more has to be done to deepen the love for the socialist fatherland among our young people. We should make clear in particular to the young generation -- by appealing equally to their minds and their feelings, their knowledge, interests, and talents -- what they have to defend and against whom they have to defend the achievements of the decade-long, even century-long struggle of our working people, the great achievements of the workers and peasants, the craftsmen, and intellectuals in our country, and from whom they have to protect their own peaceful future.

From the hills of the Thuringia Forest to the chalk coast of Ruegen, from the Schwedt Petrochemical Combine to the agricultural production cooperatives in the Magdeburg Boerde region, from the Dresden Zwinger Castle to Doberan Abbey our GDR is rich in irreplaceable evidence of our people's creativity.

Everywhere in the towns and villages there live, learn, and work millions of industrious people, whose happiness and peaceful future have to be protected. Love for this country and its people -- this is what makes our young people do their service honorably. And this will continue in the future!

BRIEFS

SOVIET FRIENDSHIP TALKS -- Berlin, 1 Jul (ADN) -- The Central Executive of the GDR-Soviet Friendship Society has decided to hold the 13th congress of the organization for 14 and 15 May 1988 in Berlin. A decision to this effect was made by the body in Berlin on Wednesday at the conclusion of its two days of discussions. The chairman of the Soviet Society for Friendship With the GDR, Avgust Voss, CPSU Central Committee member and chairman of the Soviet of Nationalities of the USSR Supreme Soviet, held a greetings address and handed over to the friendship organization the Red Banner of Labor Order awarded by decree of the USSR Supreme Soviet. The paper on the directive concerning preparations for the congress sets the task of making use of every opportunity of explaining the contents of and prospects for cooperation between the GDR and the USSR and of stimulating the readiness to achieve top performances that benefit both countries. [Text] [East Berlin ADN International Service in German 1142 GMT 1 Jul 87 LD]

MERCHANT FLEET NETWORK -- East Berlin (ADN) -- The VEB Deutfracht Shipping Company currently has a worldwide network of 26 scheduled service routes, including 12 in cooperation with foreign shipping companies. The largest part of the GDR sea merchant fleet, which comprises 172 ships with a capacity of about 1.8 million tonnes, runs along scheduled service routes. This was reported by Deputy Minister of Transportation Heinz Rentner. The ships call at ports in Africa, South and Central America, Asia, the Mediterranean, and the European region. [Text] [East Berlin NEUES DEUTSCHLAND in German 29 Jun 87 p 2]

MEDGYESSY ADDRESS TO NATIONAL ASSEMBLY ON ECONOMY

AU060811 Budapest MAGYAR HIRLAP in Hungarian 26 Jun 87 pp 1-3

[Unattributed report on Finance Minister Peter Medgyessy's speech at the National Assembly session held in the Parliament on 25 June: "We Are Searching for Methods and Possibilities of Long-Term Development"]

[Text] At the beginning of his speech, the minister mentioned that the National Assembly deputies had received the draft bill on the implementation of the 1986 budget and the accompanying explanation, as well as the report on the preparations for the tax and price reforms. The final accounts were also discussed by the Central People's Control Committee, and the body agreed that the facts in the report matched the experiences of their own control activity. The parliament committees held a critical and thorough debate on the report.

"I am striving" -- the minister stressed -- "to make sure that, making use of the observations made at the various committee meetings, you review the key points of the implementation of the 1986 budget and point these elements out in such a way that both the economic processes of 1987 and the state measures become more clear-cut, and that we succeed in winning the support of the National Assembly.

"In evaluating the economic situation, it is advisable to start from the fact that the improving foreign economic and financial balance proesses as a result of the stringent measures of 1983-84 led to an optimism that later could not be justified. Looking back, economic management did not make consistent enough use of the short possibilities offered by the foreign financial processes. Although the outflow of wages increased in 1985, imports increased, and investment allocations also increased slightly, the expected economic acceleration, improvement in performance, the development of the process of structural change, and the planned improvement in our international competitiveness failed to materialize. Beginning with 1985, our foreign and domestic balance deteriorated again and our convertible currency debt continued to increase. The more than 7 percent deterioration in terms of trade last year, the worst deterioration since 1973, also played a role in this state of affairs. We achieved an export surplus in our trade with the CEMA countries.

"Some unfavorable circumstances that we hope will not happen again -- for example, the severe drought -- also contributed to the fact that the amount of the overall domestic products increased by only 1.3 percent. There was practically no growth in industry and the building industry. Although agricultural production exceeded the level of the weak year of 1985, it did not reach the level of 1984. At the same time, the small ventures also had a favorable effect on this growth. In spite of the deteriorating conditions, the consumption of the population as a whole increased by 3 percent, but rather differently in various social strata of the population. The investments of the people's economy increased by 3 percent instead of the planned 1.7 percent.

"Some of the reported processes continued in the first half of 1987. This year again, we have imported more in convertible currency than what we have exported, and we continue to sustain price losses in the food industry and metallurgical products' markets. Production so far has increased faster than expected but profitability continues to be inadequate. The low performance of certain enterprises and cooperatives is covered by the income regrouping that increases the budget deficit and which comes from efficiently operating enterprises. [paragraph continues]

"In 1986 the various sources of enterprise subsidies exceeded the level of 1985 by 20 percent and thus, as a whole, the budget provided an amount of subsidies practically equivalent to the profit made by the people's economy. This, of course, varies greatly from enterprise to enterprise.

"We allocated more than half of the overall industrial investments to the basic material and energy sectors, with less funds than necessary allocated to the development of the processing industry; only one-third of this reduced amount was used for the introduction of new technologies. Fortunately, there are also efficient investments that are quickly implemented and which produce marketable goods, too. In 1987 the Tisza Chemical Works, for example, completed construction of a 4.2 billion forint linear polyethylene plant and put it into operation more than 4 months ahead of schedule. This plant's production not only saves imports but also contributes to a considerably amount of export goods. The Kobanya Pharmaceutical Plant established the production of its product Cavinton by means of a credit for 1.5 billion forints; thus it is producing a competetive product that brings in billions in profits by making good use of hard currency.

"We need an increasing number of such development projects because the measures aimed at reducing incomes and consumption have fulfilled their ride and we cannot expect anything more from these measures alone. Besides, management strictness was inconsistent last yeasr and it did not do enough to force the enterprises to adjust to the new conditions. The decrease in value of the Hungarian products on foreign markets shows that, in spite of recognizing the situation and the oftdeclared intention to institute changes, structural changes that lay the foundations for lasting growth developed too slowly. All these facts as a whole created a considerably complex situation. The level of increase in the consumption of the population is too low to create a mood of satisfaction among the public, but it is too high to avoid a deterioration in the economic balance. In this situation, we are living today on the very uncertain yields of tomorrow's production. It is difficult to make people realize and accept the inevitable situation in which we have to produce more and more each year just to maintain the same levels of consumption and real income.

"The enterprise leaders are right in claiming that the available sources are not enough for technological development. The fact that what is actually produced is also more than the sources we produced also shows the absurdity of the situation. The enterprise mood is, however, oppositional, because, the subsidies provided to poorly managing units are enough only for subsistence; with these funds partially produced by units that are functioning well, these units are right in feeling curtailed. The burden of our international investments that were undertaken with the intention of fulfilling future demands are further aggravating the tension between income produced and income consumed. At the same time, in the final analysis, neither the enterprises nor the population feel the full brunt of the problems because these problems are reflected in the budget deficit.

"The state budget deficit for 1986 stood at 46.9 billion forints, slightly more than double the sum approved by the National Assembly. The planning and budget, as well as the industrial and other committees were justified in demanding an explanation for such a big difference and such a large deficit. The causes, in short, are to be found in that expected performance in production was not achieved and we failed to adjust domestic consumption to this low level of performance. This is reflected by the 9 billion forint shortage in budget income from enterprises and cooperatives and the subsidies, including the surplus subsidies on separated funds, surpassed that envisaged by 16 billion forints.

"The budget spent 2 billion forints more than planned for accumulations, decisively as a result of the subsidies provided for housing construction. [paragraph continues]

"Social security expenditures exceeded the plan by 1 billion forints, the expenditure of central budgetary organs exceeded the plan by 900 million forints, and the council subsidies exceeded the plan by 500 million forints. The state partially took upon itself the great losses in exports that affected primarily the food and mineral oil processing sectors.

"Last year, the government examined the situation in four sectors that were in an extremely difficult economic position -- the mining, metallurgy, construction, and the meat processing industries. The government decided to deal with the conditions of their economic activity. The goal was not to help maintain an unchanged economic activity but to provide possibilities for rehabilitation until they had created the conditions for profitable operations themselves. These allowances did not spare these enterprises from severe economic and political conflicts. In reorganizing the production structure of the Ozd Metallurgical Works, we had to solve the employment change of more than 1,000 workers quickly, in an organized and last but not least, in a humane way. The government established the system of allowances on the basis of the financial demands deriving from the need for restructuring, and these allowances as a whole burdened the budget with 11.5 billion forints in 1986. It was stated in the industrial committee debate that this should be better adjusted to the burden capacity of the people's economy and to realistic market prospects. In spite of large amounts of subsidies, numerous enterprises and cooperative became loss-making units in 1986, but still fewer than in 1985. More than half of the losses are concentrated at seven units -- primarily coal mining and building industry enterprises. Among them, four units finished the previous year with a loss too. Last year 10 percent of all the agricultural production cooperatives made a loss, more than in the previous years. In 1986 the state allocated more than 10 billion forints for settling losses and rehabilitation.

"Unfortunately, many units expect that in 1987, too, the state will settle all debts in the course of the rehabilitation procedures it will institute. There is, however, no way of doing that. As the case of the Veszprem State Building Enterprise shows, we do not wish and we cannot maintain the current practice. I can firmly declare that the government is striving to reduce the state burdens of rehabilitation and to curb the permanently loss-making activities that have no benefit for the people's economy.

"This year the Business and Market Research Institute has conducted a public opinion survey at more than 2,000 enterprises. The enterprise heads evaluated the Hungarian economic situation as difficult, and their own situation as improving at the same time. There is a real contradiction here. We can choose between two things: either, like the practice so far, we transfer the tensions emerging in certain sectors of the economy to society as a whole and thus spare the units that cause these difficulties the responsibility and obligation of adjusting to the present conditions, or, by means of a changed economic-political attitude and of a renewed system of economic management methods, we accept the problems and have them accepted at their source. On the basis of the experiences accumulated over the course of past years it has become clear that if we took the first road, we could endanger even our present economic situation. Therefore, based on the Central Committee Decision of November 1986, the government is increasingly urging the second alternative. Step by step the government is creating the social guarantees and the retraining and employment support that will make it possible to reduce or eliminate employment in certain workplaces."

"When an enterprise is eliminated or its activity is considerably limited, it is not possible for either the government or the employer to reach full agreement with all the interested workers in spite of the best possible intentions. We should reach a general agreement, however, that the problems should be solved where they appear even if this

causes personal conflicts and even if we know that the permanent inefficiency is not necessarily due to poor work by that collective but to unfavorable market conditions or that life has not borne out the previous development decisions.

"Fortunately, the evaluation of economic activity for 1986 also provided examples worth following. Economic organizations that had an adequate strategy in adjusting to the changing conditions, such as the Alba Regia and the Hajdu-Bihar County State Construction Enterprise, were able to profitably produce even in economic sectors that find themselves in a difficult situation. In spite of the unfavorable agricultural conditions, one third of the agricultural cooperatives and state farms, such as the State Model Farm of Alag or the Pal Kinizsi Agricultural Production Cooperative of Nagyvazsony, are in the forefront of economic activity. Today, there are still too few enterprises that take it upon themselves to adjust to the strict demands of the world market by changing their strategy and their producton structure to achieve favorable results.

"Examples of such enterprises are, among others, the Machine Tool Works, the Hajdusag Industrial Works, the Szolnok County Agricultural Machine Works, the Refrigerator Factory, the Gardenia Lace Curtain Factory, and the Szeged Canned Food Factory. I draw the attention of the press to the positive experiences.

"Half of the state budget expenditure is connected with the standard of living and the living conditions. Some 220 billion forints were allocated in 1986 for operating and maintaining the central and council budget institutions; 142 billion forints were allocated for social security purposes, and 43 billion forints were used for council development.

"Although public expenditures increased only by 6.3 percent, within this, the funds allocated for health, social, and educational institutions increased by 8 percent. These funds covered the fulfillment of the tasks faced by the expanding network of institutions but these funds were not enough to generally maintain the real value of the level of services they provided. In 1986 budget institutions struggled with problems, and the councils were even obliged to use less of their operational and maintenance funds than planned. All this was reflected in the committee's debates, too. But who does not know examples that prove that even schools and hospitals -- not to mention ministries and councils -- could also operate more efficiently. It is also true that a rational attitude should be made more possible on the part of economic management. Physicians say that the annual frequency of 100 million physician-patient meetings shows the lack of organization of the health-care system. The cultural committee also discussed that certain educational intitutes opposed the exaggerated size of the pedagogical institutes and educational advisory bodies, as well as the creation of an network of professional advisors. These are draining the manpower needed in education.

"Council management makes up the other large part of state expenditures. The regulation and management systems of the councils changed considerably in 1986. The aim of these changes was to increase the local councils' independence and interest, and to adjust the councils' sources to the income produced by the people's economy. These goals were fulfilled but they also led to problems. Last year, regulated incomes fell by 3.2 billion forints compared to the planned figure primarily as a result that there was less income than planned from city and village contributions, taxes on wages, and institutional incomes. The more than 500 million forints of council subsidies were unable to counterbalance this loss.

"This loss is approximately proportional with the income losses of the people's economy and it caused severe problems in the case of certain local councils were the majority of these sources is used to maintain existing schools and district medical clinics.

"Real-estate and road maintenance activities were postponed and the funds necessary for public lighting, which became more expensive as a result of the increase in energy prices, had to be recouped from other sources. However, the territorial infrastructure did develop and the network of institutions did remain operational due to the greatest ever mobilization of local forces ever made by the councils.

"The entrepreneurial attitude is increasingly asserted in the councils' management too, and the councils are searching for new forms of fruitful cooperation. In Kalocsa, for example, the local council participates in a hotel association and shares its profits according to the capital invested in the venture. Since the council joined the association with the old district council building, no financial assets are involved. The building, which has been unused so far, will bring profits in the future.

"In 1986 social security expenditures increased by 8 percent, slightly less than in the previous years, although we took some social-policy measures last year too. Parents can make use of the child-care allowance until the child reaches the age of 1 and 1/2 years, and pensions of people over the age of 70 will increase in accordance with the general increase in consumer prices. Although we have been trying to help large families and single pensioners, we cannot regard our progress as adequate. Therefore, a reexamination of the system of allowances as soon as possible is inevitable."

"Both the central and the council budget allocated considerable funds for improving the housing situation. The sums allocated for social policy allowances and state loans increased in a differentiated way. In order to increase the savings of the public and at the same time increase the credit sources, as of 1986, we are giving a premium of 40 percent on repayment of low-interest credits before schedule. Many people have made use of this offer. Sometimes on their own, and sometimes in the form of associations, the councils spent more than planned on preparing plots and developing public utilities. In spite of the considerably extensive and increasing support, the tensions of the housing situation as a whole hardly decreased, particularly in the capital and in Miskolc. This also justifies the need to reexamine our long-term housing program, develop it, and, in working out the tax reform, to pay great attention to giving priority to housing construction and purchase, and to savings directed toward this goal.

"In the course of the committee debates, the increased activity and responsibility of the deputies was also reflected in their criticism of the great discrepancy between the state budget as approved and as actually implemented. Therefore, the government regards it necessary to inform the National Assembly in greater detail than has previously been the case about the given annual processes and the issues affecting the annual budget which demand measures in this respect, as well as to ask the approval of the National Assembly for the necessary series of economic measures. Accordingly, on behalf of the government, I ask the esteemed National Assembly to support the government's efforts to reduce the budget deficit in 1987 from the approved level of 43.8 billion forints to a level approaching the figure of 30 billion forints, all this in order to improve our international financial balance and reduce domestic consumption. Learning from some unfavorable lessons of the government decisions of 1986, this year we are simultaneously introducing regulations forcing an increase in economic performance and various measures of encouragement as well.

"Our goal, even if to a modest extent at the beginning, is to increase the financial possibilities of profitable enterprises, increase the development possibilities and room to maneuver for efficient enterprises, and increase interest in exports. All this can lead to short-term budget expenditure and loss of income, but this should be done nevertheless, in order to increase the income production by accelerating the production of efficient sectors, and to make profits in the future from these budget expenditures.

"These measures reflect the intentions of the government and the direction of its activity, and are in harmony with the prospective concepts of management development. In March we devalued the forint to encourage exports and, since the beginning of this year, we have introduced a profit-tax reduction for the processing industry enterprises that are more profitable than average. We made it possible to accelerate the amortization of fixed assets that constitute newly purchased and up-to-date technology, a measure that is also a new form of tax-return and provides the best enterprises with an opportunity to develop their technology.

"The regulations to be introduced in the coming days will eliminate the present administrative regulations concerning the financing of stocks. Control experiences show that earlier there was too much irrational activity, needless transportation of stocks, shortages, and deceit in accounting. The changes will give greater scope for enterprise independence but will also demand great responsibility from the new banks and from the enterprises too.

"Another part of the central measures seeks to maintain interest in savings. Therefore, as of May this year, we have increased the interest rate on the savings accounts of the population by an average of 1 percent as well as introducing new forms of saving accounts. We are encouraging the purchase of bonds and are searching for other forms that enable the population to contribute with their financial assets to the enterprises' management.

"We also had to initiate other types of measures. In March of this year, we increased the producer price of energy with a contract entry of a rather narrow area. On the basis of an agreement between the Trade Unions National Council and the government, no general wage increase was carried out until 1 April. In order to slightly reduce the increase in the income of the population, we raised the consumer prices in April and we have counterbalanced the effects of this increase in consumer prices on pensions and social allowances. As of 1 June, we have raised the interest rate on short-term enterprise credits. We reduced the accumulation expenditures by 1 billion forints. We reduced enterprise subsidies by 1.5 billion forints, and reduced the state budget contribution given to the rehabilitation fund by 1 billion forints. At the same time, economic units struggling with a difficult situation as a result of natural disasters will not be left alone in 1987 either. For example, financial management authorities are dealing separately with the well-known problems faced by the historic wine-growing area of Tokaj.

"In addition to the measures that directly affect the enterprise sector and the population, we cannot avoid limiting the financial allowances given to the budget institution this year. On the basis of the authorization received from the National Assembly, the Council of Ministers withdrew the 3 percent support reserves of the central budget organs and it will similarly eliminate the 1 percent support reserve provided to the councils. Further reductions both in the central and the council budget institutions have become necessary to maintain the planned level of domestic consumption. In connection with this, I ask the National Assembly to approve the reduction of council subsidies by the 2 percent submitted in the draft bill, namely by some 1.5 billion forints. At the same time, I inform the esteemed National Assembly that, in order to reduce the budget burden, the Council of Ministers has initiated a thorough reexamination of the organization, management, and financing of the system of budget institutions. We know that these measures place burdens on the majority of enterprises, budget institutions, and the population. We have not yet passed the first, and undoubtedly painful, phase of adjusting to the changed economic conditions. Further difficult and unpopular measures are still needed for a genuine economic development to begin in Hungary. [paragraph continues]

"We have chances of development and strength for renewal but, for this, we have to speak openly about our problems to be able to mobilize, with a clear and consistent program, our entire society for action. Guarantees are also needed for the implementation of economic development. A well selected system of means and the development of the economic mechanism are such guarantees.

"Last year, in accordance with the Central Committee position of April 1984, we established the organizational framework for a two-tier banking system, modernized the system of social security institutions, and completed the introduction of new forms of enterprise management at the state enterprises. We should continue to expand the reform process. We are openly establishing our concepts in debates. We are aware that a socialist planned economy which takes into consideration market laws has important social and political conditions and consequences. We should modernize the planning system of the people's economy. We should reexamine all the essential elements of the mechanism of international cooperation. We should strive to establish a more adequate organizational, interest, and financial framework for our multilateral cooperation within CEMA. We should also further develop the financial system and the budget and credit policy. It is necessary to introduce tax and price reforms and a coordinated modification of income regulations, social policy, and enterprise income regulations.

"Society, of course, reacts very sensitively to these issues. According to the currently formulated proposals, in the future, while close to half of the workers will not pay taxes on the basis of their income deriving from their main job and 20 percent of the workers will still be tax exempt even after accumulated incomes, and at least 80 percent of the pensioners will continue to be tax exempt, the population still finds it difficult to become used to the idea of a personal income tax. Primarily the people who work in several places, people with higher incomes, and families with children already feel themselves harmed.

"Therefore, in the coming few months, we have to strive to work out concrete solutions that clearly show all of us share the common burdens in accordance with our incomes. But the tax-burden capacity is fundamentally limited by the number of children, their ages, and other social factors. We have to coordinate the tax system with these factors by all means.

"The main problem is that we have to prepare the tax and price reforms in a rather difficult economic situation and there are only limited financial resources available for the development of the systems of social policy care which represent the background of the reforms. Since maintaining social security is an important requirement with the introduction of the tax and price reforms, at the time of introducing these reforms, we will have to institute a wide range of compensations for the elderly and families with children. On the long-term basis, only a good wage system can convey encouragement and the real social order of values. We will take this into consideration in the course of our future activity in accordance with our possibilities.

"The figures of the budget for 1986 also clearly show that it is not the tax and price reform that causes the problems facing the economy -- including the problems related to the standard of living. At most, the changes that are taking place in this area are bringing the tensions to the surface more openly. But it is precisely this openness that helps us create opportunities for solving these problems.

"In planning and creating a strategy for the future, we have to consider that, in order to stabilize our economic situation and lay the foundations for our development, we also need measures that give rise to a confrontation of interests. [paragraph continues]

"We ask for the support of the National Assembly to discover these confrontations and to solve them in accordance with our socialist principles.

"For a stage of lasting development offering wide prospects to all society to follow a period of consolidation after stagnation, there is need for a complete mobilization of society's energy, capacity for intellectual performance, and readiness for renewal. The continuation of reforms should serve these goals in all areas of life, too" -- the finance minister said in conclusion and asked the deputies, on behalf of the government, to adopt the draft bill on the implementation of the budget for 1986 and support the government efforts aimed at reducing the budget deficit for 1987.

SZABO STRESSES SUCCESS, NECESSITY OF COOPERATIVES

LD041301 Budapest Domestic Service in Hungarian 1000 GMT 4 Jul 87

[Excerpts] Celebrations are being held this morning in Pecs to mark the 65th International Cooperatives' Day. Csaba Belenesi reports.

[Belenesi] [Passage omitted] In addition to speaking of present tasks, the meeting today of the National Cooperatives Council, which opened in the ceremonial chamber of the Pecs Town Hall, will remember the founders of the movement. Dr Pal Danyi, first secretary of the Country Baranya Party Committee, greeted the participants. He emphasized that today in Hungarian society, the demand for change can be called universal.

Following this, Politburo member Istvan Szabo, the present chairman of the National Cooperatives Council [as heard], spoke:

[Begin recording] [Szabo] The institution of cooperatives is a successful undertaking of mankind, tried and tested worldwide. Perhaps the handful of weavers who made up the Rochdale Association in 1844 did not suspect that they were the initiators of a world movement, that with the creation of the first cooperative form, with their charter, they would give useful experiences to the basic principles of cooperatives of a later age.

There exist few such dynamic institutions in the world as the cooperative movement. It is an economic and political factor throughout the globe. Its activities in the world encompass agriculture and industrial production, small- and large-scale trading, the sphere of finance and banking, tourism, catering, obtaining and maintaining dwellings.

Throughout the world it has been proven that cooperatives are an advantageous and appropriate organization for the varied and successful completion of production and service activities.

Today, cooperatives operate in every country of the world. The membership of over 0.5 billion people, whatever the social system may be, besides its work of an economic nature, fills an exemplary role for economic and social advance, for the creation of an atmosphere working for a more peaceful and humane way of life.

In the course of building socialism, the association serves the material and spiritual elevation of almost all members of society, and the dynamic development of the people's economy.

This is true also in our homeland, where our 4,500 cooperatives comprise one-fourth of the national income. The fate and prosperity of the over 4.5 million cooperative members is affected directly by the results of the associaiton. Much is revealed also by the fact that 17 percent of industrial production, 36 percent of small trading, 70 percent of agricultural production and processing is completed by cooperatives. [end recording]

ACZEL VISITS SZABOLCS SZATMAR COUNTY 5-6 JULY

LD062243 Budapest Domestic Service in Hungarian 2000 GMT 6 Jul 87

[Text] Gyorgy Aczel, member of the Politburo, has paid a 2-day visis to County Szabolcs-Szatmar. On Sunday he acquainted himself with the life of the region. On Monday he paid a visit to the (Gyorgy Bessenyi) teacher training high school in Nyiregyhaza, then travelled to Vaja to the Ferenc Rakoczi II agricultural cooperative. To conclude his program he briefed the county party leaders on the tasks arising from the Central Committee program for social and economic resurgence.

CORRECTION: LE MONDE POST-KADAR-OUTLOOK INTERVIEW

The following correction pertains to the article entitled "Palfy, Haraszti Views Coincide on Post-Kadar Outlook" published in the 6 July East Europe DAILY REPORT, page H 3.

On page H 4, substitute for paragraph two:

The analysis formed by Jozsef Palfy, chairman of the National Hungarian Journalists Association and editor of the influential weekly MAGYARORSZAG, coincides with that of oppositionist Miklos Haraszti, a sociologist who is compulsorily unemployed as a result of a professional ban: Within the space of a year Janos Kadar, 75, lost most of the confidence he enjoyed among the population.

Jozsef Palfy, who travels throughout the length and breadth of the country giving conferences to make ends meet ("I get by, like everyone else!"), is well aware from the questions put to him in the provinces that the "Kadar effect" is no longer working. "Consider De Gaulle's position in late 1967 or early 1968," he explained to us; "He was someone with acknowledged historical merits but in whom people no longer had confidence for the future!"

Miklos Haraszti was much....(adding dropped passage, correcting name "Haraszti", word "sociologist")

SZCZECIN COURT REFUSES TO LIFT BAN ON SOLIDARITY

AU071753 Paris AFP in English 1749 GMT 7 Jul 87

[Text] Warsaw, July 7 (AFP) -- The court in Szczecin refused last week to lift a ban on activities of the Solidarity trade union in the Warski shipyards there, independent sources in northwestern city said on Tuesday. The court pointed out that Polish law allowed for only one labor movement in the country -- the official OPZZ union set up to replace Solidarity.

The sources said the union members who filed the request had reportedly complained of police "harassments, bullying and intimidation." Three of them were allegedly summoned by police and told to stop their union activities.

The Warski shipyards were a major force behind the August 1980 strikes that broke out in the nearby port of Gdansk.

Meanwhile, the banned Independent Student Association (NZS) invited young Poles to boycott the customary pledge of allegiance to the Soviet Army when they were drafted for service in Poland. In a statement received here Tuesday, the coordinating committee of the also banned KKK [National Coordinating Committee for Solidarity] said the pledge "humiliates the dignity of the individual."

"The army must be at the service of the nation to ensure its sovereignty, and not at the service of a single party," the NZS maintained.

The government of General Wojciech Jaruzelski ruled recently that individuals refusing to make the pledge to the Soviet Army would no longer be detained for it. Authorities also said conscientious objectors would be allowed to do civilian duties instead of military service. The decision came after a fierce campaign by the Polish environmentalist group Freedom and Peace (WiP) denouncing the statutory Soviet Army pledge.

JARUZELSKI ARMS PLAN HITS' FAVORABLE GROUND

LD031908 Warsaw PAP in English 1337 GMT 3 Jul 87

[Text] Warsaw, July 2 -- Nearly two months have elapsed since May 8th when, at a PRON session, Wojciech Jaruzelski announced the Polish plan of arms reduction and increasing trust in central Europe. The plan stirred many interesting reactions abroad, which proves that Jaruzelski's plan has hit a favourable ground among the addresses between Danish straits and the valley of Danube, and even farther.

Just as he told a press conference in Tokyo, Jaruzelski will turn to individual governments with a detailed presentation of that proposal. The plan has appeared at the right moment, i.e., when the dynamics in the Soviet-U.S. talks on "Euromissiles", caused by Mikhail Gorbachev's initiatives, increased a demand for new and constructive thinking on the unsolved problems of military security constituting a kind of "blank spots".

In an unconventional way, the following four elements are being linked into an organic entity, namely, conventional weapons with a particularly large and precise strike force, battlefield nuclear weapons particularly suitable for offensive operations, along with a revision of military doctrines (so that they could be bilaterally defined as purely defensive), as well as measures of building confidence and verification.

The Jaruzelski plan is not only rooted in historical experiences of the Poles but also their national interest and premises of national defence of our country. It enjoys support among Poland's allies. Without this support it would not have real value.

This allied aspect of the Polish plan significantly stresses a certain, very essential element inscribing Poland's initiative in the current of disarmament debate, which will hopefully lead to a "dual zero option" of medium-range and operational-tactical nuclear weapons. Jaruzelski suggests a factually logical addition of a "third zero" to this solution by including battlefield nuclear weapons.

The Jaruzelski plan -- as everyone who has acquainted himself with it knows -- does not duplicate other proposals of the Warsaw Treaty states. This would be pointless, after all. The aim of the Polish plan is to expand the scope of outlook on these trends and spheres of thinking on military security in Europe, these systems of disarmament that have not been covered by the East-West dialogue at any of the existing planes of dialogue.

Objectively-minded commentators view the Polish plan as convergent with initiatives of other socialist states in the Polish plan, but think that "it is more ambitious" (THE WASHINGTON POST). The advantage of the plan is the fact that it "does not lay down preliminary conditions" and offers "the possibility of developing it jointly" (KOELNISCHE RUNDSCHAU).

MIODOWICZ DISCUSSES ILO MEMBERSHIP ISSUE

AU070830 Warsaw TRYBUNA LUDU in Polish 3 Jul 87 p 3

[Statement made by Alfred Miodowicz, PZPR Politburo member and chairman of the National Council of Trade Unions, to PAP journalist Romana Kalecka: "Poland's Presence in the ILO"]

[Excerpts] Do the course and results of the recent 73d ILO session mean the crisis in Poland's relations with the ILO is over? Does the recognition of the mandate of the OPZZ by the Geneva conference mean that other Polish trade unions will not be able to participate in ILO?

Alfred Miodowicz, who recently returned from Geneva, answered these and other questions put to him by your PAP journalist.

[Miodowicz] I do not think there was any crisis. It was for good reasons that Poland suspended its ILO membership. It was a difficult decision, if only for the reason that Poland was a founder of ILO and actively participated in its work for dozens of years. [passage omitted]

Last September the National Council of Trade Unions decided to ask our state authorities to examine reasons for Poland's return to active work in ILO. We submitted this proposal to the 11th World Trade Union Congress in Berlin. [paragraph continues]

Later on this proposal was adopted by our own trade union congress. This was the starting point of our energetic efforts in this matter. We were not interested in the mere implementation of our resolution. To be in the ILO is an extremely important question for our movement, a question that is of crucial significance for our movement's credibility in the international arena. After all, the ILO deals with issues that are of fundamental importance for the working people.

We were not interested in joining the ILO at any price. We were interested in returning to the ILO at a moment when we became a genuine and representative trade union organization, one that was ready for such a return. This was what did actually happen. We now have 7 million trade unionists and have reconstituted ourselves in a pluralistic organization as also attested to by 26,000 independent, self-governing trade unions, of which over 4,000 are not members of the National Council of Trade Unions. This means that we are a genuine, but not the only, representatives of the Polish trade union movement. [passage omitted]

It would have been very difficult in Geneva not to recognize the credentials of the OPZZ as the representative of Polish workers in the ILO, but dangers were really serious. Immediately following our trade union congress, the ICFTU and the World Labor Confederation recognized Solidarity, which was represented by its Brussels bureau. That is why we were not taken aback by Mr Milewski's speech in the ILO working commission. We also expected attempts to question the mandate of our trade union council because there are many who do not like the rapid regeneration of the Polish trade union movement. [passage omitted]

Nevertheless, we went to Geneva as soon as the government decided Poland should participate in the 73d ILO session and that Polish workers should be represented by our OPZZ as the largest and most authoritative representation of the working people.

We tried to actively participate in plenary sessions and committee work of the conference. The Polish public knows about its course and results. However, events outside of official sessions -- our talks with leading representatives of the world trade union movement -- were also extremely important. Naturally, we had to explain a great deal, provide much information, and answer any question at all in Geneva. That is why we organized a press conference there.

I cannot ignore the important fact that Poland was included in the list of 59 countries charged with failure to observe the ILO convention. The Polish Government was charged in connection with Convention 87 on trade union freedom and the protection of trade union rights and in connection with Convention 98 on the application of the principles of the right to form organizations and to conduct collective bargaining. The Polish Government responded appropriately. [passage omitted]

It goes without saying that the future delegation of Polish workers must not necessarily consist exclusively of representatives of the OPZZ since there are some 500,000 trade unionists outside of our organization. However, I cannot imagine that a Polish delegation going to the next conference of the ILO could be without our representatives. [passage omitted]

It was with attention and pleasure that we have noted the PPR Government's declaration that it would examine and make a decision on Poland's return to the ILO. Of course, this decision concerns our return de jure because our return de facto took place last June.

ANNIVERSARY OF TREATY WITH USSR MARKED

AU071851 Bucharest AGERPRES in English 1656 GMT 7 Jul 87

[Text] Bucharest, AGERPRES, 07/07/1987 -- An event was held in Bucharest on July 7 to mark 17 years since the signing of the second treaty of friendship, collaboration and mutual assistance between Romania and the Soviet Union. It was sponsored by the Romanian-Soviet Friendship Association.

Ion Hobana, member of the bureau of the management board of the Romanian-Soviet Friendship Association, and V.G. Pozdnyakov, charge d'affaires a.i. of the Soviet Union in Bucharest, spoke about the significance of the event. Romanian documentaries were shown.

CEAUSESCU MESSAGE TO LCY LEADER ON ELECTION

AU051424 Bucharest SCINTEIA in Romanian 2 Jul 87 p 5

[Cable sent by RCP Secretary General Nicolae Ceasescu to Bosko Krunic, president of the LCY Central Committee Presidium, on his election]

[Text] To Comrade Bosko Krunic, president of the LCY Central Committee Presidium

Your election to the position of president of the LCY Central Committee Presidium affords me a pleasant opportunity to extend warmest congratulations on behalf of the RCP Central Committee and on my own behalf, as well as wishes for great success in fulfilling the highly responsible tasks entrusted to you and in implementing the targets established by the 13th LCY Congress aimed at building socialism in neighboring and friendly Yugoslavia.

Lasting relations of friendship and cooperation based on trust and mutual respect have been established between our parties, countries, and peoples in the spirit of the understandings arrived at during Romanian-Yugoslav summit meetings which have become traditional. I am firmly convinced that by continuing this tradition, the friendly relations between the RCP and the LCY will continue to develop and intensify to the benefit of the Romanian people and the Yugoslav peoples and in the interest of the cause of socialism, detente, international cooperation, and security and peace in the world.

Nicolae Ceausescu, RCP secretary general

CPC ACTIVISTS VISIT, MEET RCP'S STOIAN

AU021847 Bucharest AGERPRES in English 1805 GMT 2 Jul 87

[Text] Bucharest, AGERPRES, 2/7/1987 -- A delegation of activists of the Chinese Communist Party, led by Sun Jiazheng alternative member of the CC of the Chinese Communist Party, secretary of the Jiangsu Province Committee of the Chinese Communist Party, paid a fact-finding visit to Romania over June 18-July 2 upon an invitation extended by the Central Committee of the Romanian Communist Party.

During the visit the delgation had experience-swap interviews at the Headquarters of the CC of the RCP and of the RCP country committees of Constanta, Tulcea, Brasov and Sibiu. The Chinese guests also saw round economic, social and cultural units in Bucharest and in the four aforesaid counties.

At the end of their visit, the delegation were received by Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP. During the talks conducted on the occasion emphasis was placed on the fine relations of friendship and collaboration between the Romanian Communist Party and the Chinese Communist Party, between the Romanian and Chinese peoples, which have developed steadily, in line with the understandings reached at top level, in the interest of building the new social system in Romania and in China, of the general cause of socialism and peace.

CITROEN AUTOMOBILE DIRECTOR RECEIVED BY CEAUSESCU

AU021526 Bucharest AGERPRES in English 1338 GMT 2 Jul, 87

[Text] Bucharest, AGERPRES, July 2, 1987 -- Romania's President Nicolae Ceausescu received on July 2 Raymond Ravenel, chairman of the France-Romania Committee under the National Council of the French Patronate, director-general fo the Citroen Automobile, now visiting Romania.

During the interview, they analyzed questions related to the collaboration between Romanian and French enterprises in various domains, in the general context of the relations between the two countries. They stressed the importance of promoting advanced, long-term forms of cooperation that should ensure high efficiency to the bilateral collaboration and contribute to the expansion of the mutually advantageous economic relations between Romania and France.

The interview was attended by Serban Teodorescu, minister of machine-building.

Meets Dinca, Ancuta

AU021528 Bucharest AGERPRES in English 1340 GMT 2 Jul 87

[Text] Bucharest, AGERPRES, July 2, 1987 -- Ion Dinca, first deputy prime minister of Romania, and Dimitrie Ancuta, deputy prime minister, received on July 2 Raymond Ravenel, chairman of the France-Romania Committee under the National Council of the French Patronate, director-general of the Citroen Automobile, now visiting Romania.

They discussed questions of further developing the economic collaboration between Romanian and French industrial and commercial enterprises.

ECONOMIC PROGRESS REPORT FOR 21-27 JUNE

AU271406 [Editorial Report] Bucharest Domestic Service in Romanian in its broadcasts between 21-28 June carries the following economic performance reports (time and date of broadcast in parentheses):

Bihor County: Mining units have extracted 94,000 tonnes of quality brown coal in excess of plan. (1300 GMT 22 June)

Gorj County: Rovinari mining units have extracted 400,000 tonnes of coal in excess of this year's plan. (1300 GMT 22 June)

Girla miners in the Rovinari mining basin have extracted 200,000 tonnes of coal in excess of plan from the beginning of the current year. (1300 GMT 25 June)

Ticleni oil workers have extracted 1,800 tonnes of crude oil in excess of plan tasks to date since putting into operation 20 new oil derricks. (1000 GMT 24 June)

Horasti mining units have extracted and delivered to end-users 40,000 tonnes of brown coal in excess of plan to date. (1000 GMT 24 June)

Hunedoara County: Mining units have extracted 10,400 tonnes of coal in excess of plan since the beginning of the year. (1300 GMT 22 June)

Twenty-five industrial enterprises fulfilled their half-year commodity production plan. (1000 GMT 22 June)

Mehedinti County: Mining units have extracted and delivered to thermopower plants coal equaling 320 kw electrical energy per hour, thus increasing coal production by 30 percent in the first half of this year. (1000 GMT 22 June)

Neamt County: Bicaz Azbociment Enterprise fulfilled its half-year exports plan, thus achieving a 15 million lei worth of export production by the end of this month. (1300 GMT 26 June)

Prahova County: Ploiesti Coal Mining Enterprise fulfilled its half-year plan ahead of schedule. (1300 GMT 26 June)

Satu Mare County: Baia Sprie miners fulfilled their half-year plan ahead of schedule, thus by 30 June they will achieve an additional production of 5 million lei worth of metals. (1000 GMT 25 June)

Turti mining unit fulfilled its half-year plan ahead of schedule, thus by the end of June this unit will achieve an additional production of 3.4 million lei worth of useful metals required by the national economy. (1000 GMT 25 June)

Timis County: Mining units have fulfilled their plan tasks for the first half of this year. (1300 GMT 22 June)

FURTHER REPORTAGE ON MILOSAVLJEVIC'S U.S. VISIT

Meets With Baldrige, Baker

LD080823 Belgrade TANJUG in English 2340 GMT 7 Jul 87

[Text] Washington, July 7 (TANJUG) -- Yugoslav-U.S. trade is unfolding with increasing success, it was assessed in the talks between Yugoslav Vice-Premier Milos Milosavljevic, who is on a visit to the United States, and U.S. Secretary of Commerce Malcolm Baldrige.

As set out in the talks, U.S. exports to Yugoslavia in the six months this year rose around 10 percent as compared with the same period last year, whereas sales of Yugoslav products marked a (?3) percent increase on the U.S. market. This, as noted, effected a near balance in the Yugoslav-U.S. commodity trade, in which Yugoslavia has for years ran a high deficit.

The two countries can double their trade in a relatively short time, Milosavljevic and Baldrige established. They also agreed that joint ventures were a sound way to enhance economic cooperation between the two countries. An agreement on stimulating joint ventures the two sides have already began work on is surely to provide marked contribution to these ends.

The talks between Milosavljevic and U.S. Secretary of the Treasury James Baker focused mostly on economic reforms in Yugoslavia and the Yugoslav economy's development programme. The U.S. secretary of treasury stated the U.S. Government's readiness to extend support to the reforms and the development programme.

Discusses Investment Agreement

LD080921 Belgrade TANJUG in English 0815 GMT 8 Jul 87

[Text] New York, July 8 (TANJUG) -- The potential exists to increase the volume of Yugoslav-U.S. trade to 2 billion dollars in both directions over the next two years. The above was one of the joint assessments set out in talks held by Yugoslav Vice-Premier Milos Milosavljevic with U.S. Government officials in Washington.

Speaking about his Washington meetings in a talk with Yugoslav journalists in New York where he continues his talks today, Milosavljevic said the two sides assessed that all the preconditions necessary to raise Yugoslav-U.S. economic cooperation to a higher level exist.

In the first five months of the year the increase in the volume of bilateral trade was encouraging he said, adding that a balance had recently been achieved. The cover of imports by exports amounted to 93 percent. The talks also focused on the need to develop higher forms of cooperation, particularly joint investments. The increase of trade is primarily the results of increased exports of Yugoslav cars to the U.S. market as well as other products.

Milosavljevic said that during his visit to the U.S. he had delivered to the U.S. Administration a draft agreement on the promotion and protection of investments to be discussed by Yugoslav organs shortly. The initiative (?for) the agreement came from the U.S. Administration three years ago. It offered a draft agreement which has been reviewed by the Yugoslav Government and discussed by the Assembly of Yugoslavia.

The Yugoslav draft agreement differs slightly from the U.S. version. It is believed, however, that the differences are not insurmountable and that agreement will soon be reached with the full cooperation of both sides. The agreement is expected to open wide the doors for U.S. investments in Yugoslavia.

Milosavljevic said his visit had been planned earlier and that it was not directly connected with certain problems of maintaining Yugoslavia's external liquidity. It is quite understandable, he said, that although the visit had been planned earlier, the question of Yugoslavia's external debt could not be ignored. Furthermore, the Yugoslav side had no intention of avoiding the issue, he said. During the open talks, the possibilities for extending support to the structural development of Yugoslav economy and its stabilization programme were discussed.

The Yugoslav delegation set out that a high degree of understanding for certain difficulties was expressed as was the readiness for full cooperation in resolving Yugoslavia's debt problems in this and coming years, aimed at securing the speedier and more stable development of the Yugoslav economy.

In the talks with U.S. Government officials, full respect was reiterated for Yugoslavia's independent and non-aligned position and full (?agreement) expressed on the need to develop cooperation on the principles of equality and mutual understanding.

HASANI SPEAKS AGAINST SEPARATISM AT LCY PLENUM

AU071044 Pristina RILINDJA in Albanian 27 Jun 87 pp 1-7

[Report by D. Mirdita; G. Mulliqi; G. Bajrami, F. Musliu; V. Surroi; and A. Berisha on meeting of the LCY Central Committee in Belgrade on 26 June: "United and Determined in Action"]

[Excerpt] [Passage omitted] Sinan Hasani began by saying that many steps had been undertaken by political and state bodies to stabilize the situation in Kosovo, and added that these had borne fruit. In this context, he mentioned the extensive work done in pooling labor and resources, and the great importance of the program to stem the emigration of Serbs and Montenegrins and to promote their return to Kosovo, at present being planned by the SFRY Assembly. He also praised the initiation of political, cultural, academic, and educational cooperation between Kosovo and bodies and organs in the country as a whole a firm foundation for the greater integration of the Socialist Autonomous Province of Kosovo into the SR of Serbia and the SFRY.

Nevertheless, Sinan Hasani continued, the results achieved in stabilizing the situation in Kosovo are not in proportion to our commitment and our needs. This disproportion can be eliminated if we consider the class and national reality of Kosovo as an integral component of the process of our socialist self-managing development. Our strategic and ideopolitical tasks still center upon the need to make clear to all working people and citizens of the Albanian nationality, especially young people at school, that the nationalism and separatism which have arisen among them do the most harm to members of the Albanian nationality themselves. [paragraph continues]

It has been possible to convince many of this. The then political leadership of the province, into which bureaucratism and statism had found their way, had lost a sense of the dividing line between the affirmation of national identity and nationalism. Through bureaucratic and technocratic ways of thinking and work, the large majority of Albanians, as well as Serbs and Montenegrins, had virutally lost their self-managing rights in economic and political life. The serious consequences of this monopolistic behavior and mistiaken political leadership in the development of the province are still making themselves felt. Unemployment is causing a deep social trauma. Losses and debts are most often paid for from the public resources destined for the fast devlopment of Kosovo, and from the symboloc profits of the working people. This has allowed patronage and favoritism to flourish; social and individual responsibility in general has sunk to a low level. The misappropriation of public land, failure to meet public obligations, irresponsibility toward the demands and needs of the citizenry, the unfair allocation of housing, scholarships, and pensions, and every kind of malpractice in the employment field have become almost leagalized. It is understandable that all the people of Kosovo, Albanians, Serbs, Montenegrins, and others, have suffred in this bad social climate, especially since the time when the doors were opened to subtle elements from the class overthrown by the revolution and to the harsh bureaucrats of centralist socialism.

The Peoples and Nationalities Must Combat All Nationalisms on a Single Front [subhead]

Continuing, Sinan Hasani said that harm was also done to the Ablanians in Yugoslavia, Serbia, and Kosovo by some teachers, pupils, journalists, and publicists who were dominated by Albanian nationalism. They poisoned the minds of a large number of pupils and students, indoctrinating them with bourgeois nationalism in the course of explaining historical events and personalities, and glorifying traditions and encouraging the primitive theory of stimulating the birth rate. All these things stressed factors that distinguish us from each other; things that bring us together, that we have in common, laid down by destiny, were ignored. The hatred, divisions, and excesses against Serbs and Montenegrins which Albanian nationalists perpetrated and spread have exacerbated and inflamed intranational relations. Of course, the greater majority of the Ablanian nationality disassociated themselves from this, as an insult contravening human standards of behavior. This fact must be made clearer, and every Albanian must be led to understand that the mistakes leading to these material, social and political difficulties were not made by people from other national backgrounds, but primarily by people from their own national background. I believe that the most serious everyday problems, such as people's worries, and migration, could be solved if the class link that binds the Albanian, Serbian, and Montenegrin working people in Kosovo were made stronger. Here lies the essence of strengthening the common front of our self-aware progressive forces, so that every people and nationality will struggle against every kind of nationalism and reach an effective solution of the reasonable demands of the citizenry.

Albanian nationalism, Sinan Hasani continues later, today still attempts to camouflage itself within its own national sphere and carry out hostile activity. This can be seen in the continued hostile activity of illlegal groups, and often in legal forms. He said that this activity is in a way abetted by so-called scientific workers and intellectuals who shed tears for Albanian nationalists and say they are prepared to share their fate, entering the history books as fathers of the Albanian people, and proclaiming their academic creeds to be the eternal truth. [paragraph continues]

Their opinions on freedom are sometimes bourgeois, and sometimes Enverist. They also find their way into places where they do not belong -- into debates on the Constitution and discussions on national equality. The Kosovo LC and progressive people and Ablanian Communists must struggle determinedly in the forefront of the struggle against malevolent hostile phenomena and those who are infected with them.

No Going Back [subhead]

When it is a question of considering the class aspect of the Kosovo situation, especially within the Albanian nationality, it must be remembered that this aspect of the struggle has been neglected to a large extent, first of all because indoctrination with Albanian nationalism has taken place over a long period of time; besides, students and schoolchildren have also influenced some leading political organizations and labor organizations. It is well known that the measures of the LCY, the LC of Serbia, and the Kosovo LC have been aimed at removing all those members of the leaderhsip and others whose activities have contributed to the escalation of Albanian nationalism. In the spring of 1982 it was said, more or less, that the issue of the political responsibility of the cadres in charge must be brought into the process of ideopolitical differentiation. How far we are content with this must remain a relative and debatable question. However, I am unsure, and cannot agree, that the issue of the political responsibility of people in charge in 1981 should be aired again after 6 years, separately from the process of differentiation, and considered as a special issue. I think, Sinan Hasani said, that this is not in the interest of the work of the LC and of strengthening the influence of the LC. It would mean backward-looking self-scrutiny, not a look ahead. However, if hostile activity is observed in any member of the leadership, this person can in no way be freed from his legal responsibility, any more than in the case of 1,000 nationalists and separatists. But care must be taken against various institutions and forms of pressure that will come from petit bourgeois impulsiveness and destructive elements.

The Revival of Outmoded Theories [subhead]

The work is done in stopping and demystifying Great-Albanian nationalism on a broad front, because of the nature of nationalism, and also the character of the campaign itself, has not yielded the expected results; the LC program of ideopolitical differentiation must therefore be waged to demystify, unmask, and shatter those forces that are indoctrinated with Albanian nationalism, and remove the causes of the emigration of Serbs and Montenegrins. Secondly, a careful observer and chronicler of events in Kosovo can speak with knowledge about another fact that has had a discouraging effect upon the commitment of the leadership of the class struggle for ideopolitical differentiation and the creation of a common front within the Albanian nationality itself, as well as upon the ranks of the Serb and Montenegrin population. Even though the theory that the situation in Kosovo can be settled if pressure is put on the Kosovo politicial leadership has never been officially proclaimed anywhere, there are observable tendencies toward this. And, of course, when these methods, too, fail to yield results, then the old theories and formulae about national minorities begin to be repeated again. There has been no adequate response to the rumor that irredentism is strong because it has infiltrated itself even into the Kosovo leadership. In this indirect way it is claimed that the activity of irredentists suits the Albanian nationality, and that this activity is supposedly not directed against the Albanian nationality itself. [paragraph continues]

This senseless logic is used to reach the hypothetical and senseless conclusions that enable a section of the academic world, the press and media, to revive and spread long obsolete theories about the Serbs, Montenegrins, and Kosovo. On the other hand the clear positions of Serbian socialists on the national question are ignored, and the socialist revolution and its indisputable personalities are cast in doubt. Theories are advanced stating that nothing is changing in Kosovo. Every excess is dramatized to the limit, and is highlighted as the work of irredentists and careerists. This happens especially when certain dregs from the time of the war, heirs to the Cominform, to a so-called new Yugoslav CP, and to the bourgeois right, run to the support of the reasonable demands of Serbs and Montenegrins. Such elements attempt to act and present themselves in exactly the way as Albanian nationalists did just after the Brioni plenum [LCY Central Committee plenum in July 1966 which led to the fall of Rankovic], when they said "I fought for that," or "I offered them my services." The well-known slogan "Serbs rally round" is advanced, alongside various kinds of assembly even beyond the institutional framework, on the basis of national allegiance. This could have unforeseen consequences.

Opinions are also being advanced on the political stage which explain the counterrevolutionary events of 1981 as a results of allowing excessive rights of autonomy, and of "the mistakes of the 1974 Constitution." Demands are made for changing certain provisions of the Constitution, not only in its parts, but in its principles. A part of the press to a large extent lives off excesses in Kosovo, from political events, and from the past of the area. Everything is dug up and put in print, and opinions are given about everything, according to present circumstances, but corresponding less with those circumstances that lead toward stabilization. One comes across harmful literary works among some writers, full of poison and hatred. Popular bards sing to the gusle [traditional Balkan instrument accompanying epic narrative], films are produced, theatrical performances are staged, and all this is mixed up and entwined with irredentists, Albanians, separatists, and so on. Of course, this cannot but lead to attitudes toward the Albanians, and also attitudes on the part of the Albanians toward others. Therefore, the LCY, the LC of Serbia, and the Kosovo LC must intervene decisively against all this and, through their ideopolitical standpoints and their activity, must return subjective forces to the front of the struggle for an equal, socialist, and self-managing Yugoslavia.

Our conception of intranational relations in Kosovo lacks, or forgets, a sense of vision, of the possibility of togetherness, mutual trust, reciprocal understanding, and cooperation. This can only be achieved through conscious commitment and goodwill. Sinan Hasani concluded by saying that he agreed with the proposed conclusions, because they embody and underline the strategic duties of the LCY, the LC of Serbia, the Kosovo LC, and other sociopolitical forces in the country. However, Sinan Hasani said that he had some observations to make on certain parts, but that he would present these remarks in writing. [passage omitted]

LJUBICIC COMMENTS ON KOSOVO ETHNIC ALBANIANS

LD022013 Belgrade TANJUG in English 1900 GMT 2 Jul 87

[Text] Belgrade, July 2 (TANJUG) -- The most important task at the moment is consistently to implement the decisions and conclusions adopted by the League of Communists of Yugoslavia (LCY) Central Committee session devoted to Kosovo, Yugoslav State Presidency Member Nikola Ljubicic said in Belgrade today.

Speaking about the situation in the Yugoslav autonomous province of Kosovo predominantly populated by ethnic Albanians, Ljubicic said it was apparent that Kosovo Serbs and Montenegrins did not have full confidence in the authorities.

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Ljubicic said that, in view of the extended plight of Kosovo Serbs and Montenegrins, it was understandable why it was not easy for them to live there and why they have been migrating from the province and organising large-scale meetings and trips to Belgrade.

Albanian separatists, as Ljubicic set out, continually change their tactics but their goal remains the same, an ethnically pure Kosovo, while Serbian nationalism, on the other hand, calls for the abolishment of autonomous provinces.

Referring to violations of the rights of Kosovo Serbs and Montenegrins, Ljubicic underscored that it was now the duty of all forces of Yugoslav society to ensure for Kosovo Serbs and Montenegrins the same medical care and educational opportunities as for all other Yugoslavs, undisturbed sleep and the freedom to use their mother tongue and also to prevent any (?further) pressures and injustices. Ljubicic insisted that ethnic Albanians in Kosovo must also feel as citizens of Yugoslavia.

Talking about the increasingly frequent criticism of individual Kosovo officials, Ljubici warned that generalised attacks must be avoided. Campaign-like and arbitrary accusations can do more harm than good, Ljubicic said. In illustration, he specified that the recent attack on Fadil Hoxha, former member of the Yugoslav State Presidency, did not diminish his popularity and the conviction prevailed among ethnic Albanians that the attacks were unjustified and unfounded. Ljubicic, however, observed that the situation would be different if all relevant facts were to be investigated and Hoxha was to be found partly responsible for the developments in Kosovo.

CHARGES FILED AGAINST FORMER KOSOVO LEADERS

AU071440 Belgrade BORBA in Serbo-Croatian 30 Jun 87 p 3

[B.O. report: "Assertions To Be Checked"]

[Text] The Belgrade District Public Prosecutor's Office received criminal charges against Fadil Hodza, Dzavid Nimani, Veli Deva, Ismailj Bajra, Mahmut Bakali, and Ilija Vakic filed by 16 National Liberation War participants.

The plaintiffs -- Marko Tanurdzic Siftar, Vojislav Nikcevic, Dimitrije Kocovic, Vuko Bojanic, Dragan Dzordzevic, Savka Dzokovic, Svetozar Jovanovic, Rade Milanovic, Vucina Dobric, Petar Popovic, Radoje Bojanic, Ivanka Milinkovic, Lazar Jokovic, Aleksandar Stoiljkovic, Lazar Sasic, and Zivka Koka Bogosevic -- all claim that the former Kosovo leaders, whom they named, in the period 1945-87, violated Articles 114, 116, 128, 133, 134, 136, and 137 of the SFRY Criminal Code. These articles of the SFRY Criminal Code refer to acts against the basis of socialist self-management and the security of the SFRY.

The charge lists offenses of each individual leader. The plaintiffs named witnesses for the majority of alleged offenses of the former Kosovo leaders, and stated that some witnesses are "known to the plaintiffs."

Criminal charges have also been sent to the Republican and Federal Public Prosecutor's Office. The war veterans are represented by six attorneys from Belgrade and one from Pristina.

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